

TRUST DEED

This **Trust Deed** is made and entered into at Karachi on this 17th day of June 2011:

1. NAME AND CATEGORY OF THE SCHEME

1.1 Name of the Scheme

IGI Capital Protected Fund (IGI CPF)

1.2 Category of the Scheme

Capital Protected

2. PARTICIPATING PARTIES AND CONSTITUTION OF THE TRUST

- I. **IGI Funds Limited (IFL)**, an unlisted public limited company incorporated under the Companies Ordinance 1984, having its registered office at 5 F.C.C, Syed Maratib Ali Road, Gulberg, Lahore, (hereinafter called the "Management Company", which expression, where the context so permits, shall include its successors-in-interest and assigns) of the One Part;

AND

- II. **Central Depository Company of Pakistan Limited**, an unlisted public limited company incorporated under the Companies Ordinance, 1984 and registered with the Securities & Exchange Commission of Pakistan (the "SECP") as a central depository company, having its registered office at CDC House, 99-B, Block "B", S.M.C.H.S. Main Shahr-e-Faisal, Karachi, (hereinafter called the "Trustee" which expression, where the context so permits, shall include its successors in interest and assigns) of the Other Part.

WHEREAS:

- A. The Management Company has been incorporated under Companies Ordinance 1984 and is registered as an asset management company pursuant to the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, ("NBFC Rules") for the purpose of undertaking asset management services (Renewed Licence No. NBFC-II/22/IGIFL/AMS/13/2010 dated 14 May 2010 attached hereto, as **Annexure "A"**).

- B. The Management Company has been authorised by the SECP vide its letter No. NBFC-II/DD/IGICPF/268/2011 dated 07 June 2011, appended hereto, as **Annexure "B"** to constitute the trust under the name and title of "**IGI Capital Protected Fund**" as an open-end unit trust scheme (hereinafter referred to as the "Unit Trust", "Trust", "*IGI CPF*" or "Scheme" or "Fund") and to register this Trust Deed, pending authorisation for the establishment and operation of the Scheme in accordance with the provisions of the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("NBFC Regulations") and this Trust Deed;
- C. The Management Company has nominated and appointed CDC (the Trustee) as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions contained in this Trust Deed and the tariff structure for trusteeship as per **Annexure "C"**;
- D. The SECP has approved the appointment of Trustee, vide letter No.SCD/NBFC-II/IGICPF/274/2011 dated 13 June 2011 appended hereto as **Annexure "D"**.

2.1 NOW THIS TRUST DEED WITNESSETH:

2.1.1 DECLARATION OF TRUST

It is hereby declared, that an Open-end Scheme in the form of a trust in the name and title of "*IGI Capital Protected Fund*" is hereby created and the Management Company is hereby appointed to establish, manage, operate and administer the Trust in accordance with the NBFC Rules, NBFC Regulations, directives, circulars and Constitutive Documents and the Trustee is hereby nominated, constituted and appointed as the trustee of the Trust.

2.1.2 The Management Company and the Trustee hereby agree to such appointment and subject always to the provisions of this Trust Deed (Deed), the Offering Document, the NBFC Regulations, NBFC Rules, circulars and directives and further declare that:

- a) The Trustee shall hold and stand possessed of the Trust Property that may from time to time hereafter be vested in the Trustee upon Trust as a single common fund for the benefit of the Unit Holders ranking *pari passu* inter se, according to the number of Units held by each Unit Holder;
- b) The Management Company shall establish, manage, operate and administer the Scheme in terms of the provisions contained and conditions stipulated in this Deed, the NBFC Regulations, NBFC Rules, circulars, directives and the Offering Document and any conditions which may be imposed by the SECP from time to time; and
- c) The Trust Property shall be invested from time to time by the Trustee at the direction of the Management Company in terms of the provisions contained and the conditions stipulated in this Deed, the NBFC Regulations, the Offering Document and any conditions which may be imposed by the SECP from time to time.
- d) This Deed and any supplemental hereto is binding on each Unit Holder as if he had been a party to it and so to be bound by its provisions and authorizes and requires the Trustee and the Management Company to do as required of them by the terms of this Deed, the NBFC Rules and the NBFC Regulations;

3. GOVERNING LAW

3.1 This Deed (as may be modified from time to time by any supplemental deeds) shall be subject to and be governed by the laws of Pakistan, including the Ordinance, the NBFC Rules, the NBFC Regulations, and all other applicable laws, rules and regulations as amended or replaced from time to time, and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed of a unit trust by the NBFC Regulations, are incorporated in this Trust Deed, as part and parcel hereof and in the event of any conflict between this Deed and the provisions required to be

contained in a trust deed by the NBFC Regulations, the latter shall supersede and prevail over the provisions contained in this Trust Deed, unless a waiver has been granted by the SECP. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan.

- 3.2 The Investments in offshore countries and Bank Accounts and custodial services accounts that may be opened by the Trustee for the Scheme in offshore countries on the instructions of the Management Company may become subject to the laws of such countries and shall always be subject to State Bank of Pakistan and SECP prior written approval.
- 3.3 The Investments in Commodity Contracts listed at the Commodity Exchange shall be subject to the PMEX Regulations and/or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX.
- 3.4 Subject to the Arbitration Clause 35 hereafter applicable between the Management Company and the Trustee *inter se*, each party, including the Unit Holder(s) irrevocably submit to the exclusive jurisdiction of the Courts at Karachi.

4. FOR THE UNIT TRUST(effect of this Deed, status of Unit Holder(s) and Retirement/Change of Trustee, etc.)

4.1 Deed binding on each Unit Holder

The terms and conditions of this Trust Deed (as may be modified from time to time by any supplemental deeds) shall be binding on each Unit Holder as if he had been a party to this Trust Deed and shall further be deemed to have authorised and required the Trustee and the Management Company to do so as required by them by the terms of this Trust Deed, the Offering Document and the NBFC Regulations.

4.2 Unit Holders not liable to make further payments

No Unit Holder shall be liable to make any further payments to the Trustee or the Management Company after he has paid the purchase (offer) price of the Units in accordance with Clause 12.3 hereafter and no further liability shall be imposed on any Unit Holder in respect of the Units held by him.

4.3 Units to rank *pari passu*

- 4.3.1 The Trust Property shall be held by the Trustee on trust for the Unit Holders. All Units and fractions thereof represent an undivided share in the Scheme and shall rank *pari passu* according to the number of Units held by each Unit Holder in the same class, including as to rights of the Unit Holder(s) in the Net Assets, earnings and the receipt of the dividends and distributions of that class of Units. Each Unit Holder has a beneficial interest in the Trust Property proportionate to the number of Units held by such Unit Holder in that particular class of Units and shall have such rights as are set out in this Deed and the Offering Document and the NBFC Regulations.
- 4.3.2 Core Units subscribed by Core Investors shall be offered and issued at Par Value. Core Units shall not be redeemable (but shall be transferable) for a period of two years from the close of the Initial Period, as stated in Clause 39.18 of this Deed. Such restriction and its termination date shall be entered in the Register and shall be noted on any Certificate or transfer instrument issued in respect of such Units. For Capital Protection to hold, Minimum Period requirement would also apply to the Core Units.
- 4.3.3 Pre-IPO Units may be issued to Pre-IPO Investors during the Initial Period and shall also be offered and issued at Par Value. Pre-IPO Units shall be redeemable as well as transferable after the Initial Period. For Capital Protection to hold for Pre-IPO Units, Minimum Period requirement would also apply to these Pre-IPO Investors. A Back-end Load as per the Offering Document would be applicable in case of redemption Pre-IPO Units before the expiry of the Minimum Period.

4.4 Trustee to report to the Unit Holders

- 4.4.1 The Trustee shall report to the Unit Holders in accordance with the NBFC Regulations and the Trust Deed, including a report to be included in the annual and second quarter reports to be sent to the Unit Holders, as to whether in its opinion, the Management Company has in all material respects managed the Scheme in accordance with the provisions of this Deed, the Offering Document and the NBFC Regulations, and if the Management Company has not done so, the respect in which it has not done so and the steps which the Trustee has taken in respect thereof.
- 4.4.2 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company that may be considered necessary to facilitate the Trustee in issuing its report(s) under the NBFC Regulations. The Trustee shall endeavour to provide its report(s) reasonably before the due date of issuance of financial statements..

4.5 Investment Objective

- 4.5.1 IGI Capital Protected Fund (IGI CPF) is an open-ended fund that aims to protect investors' capital at maturity through the investment structure by placing a significant percentage of the Initial Fund Size to be called the Capital Protected Segment, as term deposit(s) with scheduled commercial Bank(s) or Development Finance Institutions (DFIs) having a minimum long term rating of 'AA-' (Double A Minus) to be specified in the Offering Document and as per Authorised Investments explained in clause 38.6.1 of this Trust Deed. Remaining funds to be called Investment Segment will be utilized to gain exposure to listed Commodity Futures Contracts traded at Commodity Exchange(s) in Pakistan as explained in Clause 38.6.2 of this Trust Deed.,
- 4.5.2 IGI Capital Protected Fund will have a life to be indicated in the Offering Document.
- 4.5.3 The Capital Protection Segment, mentioned in Clause 4.5.1 above is aimed to ensure the capital protection of the Initial Fund Size, which will be disclosed in the Offering Document.
- 4.5.4 The capital protection shall be valid only in terms of the current tax and legal environment of Pakistan and shall be subject to *force majeure* factors such as bankruptcy of scheduled commercial banks and DFIs where funds under Capital Protected Segment are placed to ensure capital protection.
- 4.5.5 Investments in offshore countries shall be made within the limits prescribed in the NBFC Regulations or otherwise as may be specified by the SECP and by State Bank of Pakistan for foreign investments, provided the ratio between the Capital Protected Segment and the Investment Segment mentioned in the preceding sub-clauses shall be maintained.

4.6 Investment Policy

- 4.6.1 IGI CPF will strive to earn positive returns commensurate with low risk inherent in a capital protected structure by investing the Capital Protected Segment in investments outlined in Clause 4.5.1 above, which would be necessary to ensure capital protection of the Initial Fund Size, till completion of the Minimum Period. Allocations among different investments under the Capital Protected Segment will be made from time to time at the discretion of the Management Company in the best interest of the Unit Holders. The allocations for different investments under the Investment Segment will also be made to capitalize on the opportunities of making short-term gains in the listed Commodity Futures Contracts traded at the Commodity Exchange or kept in cash (i.e. saving account with a Scheduled Commercial Bank(s) or Development Financial Institutions (DFI) having a minimum long term credit rating of 'AA-') if the Management Company believes investment in Commodity Contracts to be unattractive at any point, in the best interest of the Unit Holders. The Investment Segment of the Fund will be maintaining investment portfolio as per Authorised Investments explained in clause 38.6.2 of this Trust Deed or holding it in cash or near cash instrument,

- 4.6.2 Capital protection will not be valid if Units of the Fund are redeemed before the Minimum Period and a Back- end Load may be charged on such redemptions. The capital of the Fund is protected only in terms of the base currency i.e. the Pakistani Rupee.
- 4.6.3 All Investments made will be within the limits prescribed in the NBFC Regulations, as amended from time to time, or as otherwise specified by the SECP.

4.7 Benchmark

The performance of the Fund will be compared against a Benchmark based on 80% average Term Deposit Rates of any three AA- and above rated scheduled Banks for same maturity as the Capital Protected Portion of the Fund at inception and 20% of PMEX Commodity Index Performance.

5. CAPITAL PROTECTION

- 5.1 Capital protection is provided through the investment structure of the Fund to be detailed in the Offering Document(s) to preserve the Initial Fund Size and not through an undertaking by the Management Company or Trustee, who shall not be liable as guarantors or otherwise.
- 5.2 Capital protection means that the Net Realizable Value at the end of the Minimum Period maturity of the Fund should not fall below the Initial Fund Size, subject to Clause 5.1 above, provided that the Units are held for a Minimum Period as per the terms to be laid down in the Offering Document.
- 5.3 Capital Protection shall not be valid if Units, including the Bonus Units, of the Fund are redeemed before the expiry of the Minimum Period. A Back-end Load may be charged as per details in Clause 12.5 of this Deed for early redemption.
- 5.4 The Fund shall be closed for new subscriptions from time to time as and when determined by the Board of Directors of the Management Company and after providing prior notice to the Unit Holders, the SECP and the Trustee in order to protect the interests of the Unit Holders of the Fund.
- 5.5 Subscriptions in the Fund may be re-opened from time to time as and when determined by the Board of Directors of the Management Company with prior approval of the Trustee and SECP and after providing prior notice to the Unit Holders and the Trustee in order to protect the interests of the Unit Holders of the Fund. The Management Company shall comply with the terms of such approval specified by the SECP, to protect the interest of Unit Holders.

6. ROLE OF THE MANAGEMENT COMPANY

6.1 Management of the Scheme

The Management Company shall manage, operate and administer the Scheme in accordance with the NBFC Regulations, this Trust Deed, the Offering Document(s) and the conditions that may be imposed by the SECP from time to time as well as PMEX Regulations and the rules and regulations of the Commodity Exchange (in case the same is other than PMEX). The Management Company shall *inter alia* perform the following primary functions:

6.1.1 Fund Manager and Investment Committee

The Management Company shall appoint a qualified individual as fund manager, who shall be responsible for management of not more than three collective investment schemes of the Management Company at a time. The Management Company shall also constitute an investment committee at its own costs in accordance with the provisions of the NBFC Regulations to assist in investing and managing the assets of the Fund or to invest and manage part or whole of the assets of the Fund both locally and abroad. The

investment committee shall function in accordance with the provisions of the NBFC Regulations.

6.1.2 Fund Management

The Management Company has the responsibility to make all investment decisions through the investment committee constituted within the framework of the NBFC Regulations and any amendment thereto and the Constitutive Documents.

6.1.3 Investors Services

The Management Company has the responsibility to facilitate investments and disinvestments by investors in the Scheme and to make adequate arrangements for receiving and processing applications for issue, redemption, transfer and pledge of Units.

6.1.4 Investor Records

6.1.4.1 The Management Company has the responsibility to maintain investors' records and for this purpose it may appoint a Registrar, who shall be responsible for performing Registrar Functions.

6.1.4.2 The Management Company shall maintain the books of accounts and records or documents pertaining to the Scheme for a period as specified under NBFC Regulations or the SECP circulars and shall not remove such records or documents from Pakistan to a place outside Pakistan without the prior written permission of the SECP and the Trustee.

6.1.5 Distribution

The Management Company shall, at its own expense from time to time under intimation to the Trustee appoint, remove or replace one or more suitable persons, entities or parties as Distributor(s) for carrying on Distribution Functions at one or more location(s) on terms and condition to be incorporated in the distribution agreement(s) to be entered into between the Distributor(s) and the Management Company. Provided that the Management Company may also itself act as Distributor for carrying on Distribution Functions. The Distributor shall act as an interface between the investors, the Management Company, the Trustee and the Registrar. The Distributor(s) shall be remunerated by the Management Company, out of the Front-end Load or out of its own resources. In delegating the Distribution Functions, the Management Company shall ensure that:

- (i) the Distributors as well as sub-distributor (if appointed by the Distributors) have acquired and are maintaining associate membership of association(s) constituted in consultation with the SECP and abide by the code of conduct prescribed by such association(s);
- (ii) the written contracts with Distributors clearly state the terms and conditions for avoidance of frauds and sales based upon misleading information;
- (iii) the Distributors and sub-distributors have appropriate date and time stamping mechanism in place for timely acknowledgement of applications; and
- (iv) the Management Company shall ensure that each application received by the Distributor is sent to the Trustee within 24 hours of the receipt of such application.

6.1.6 Investment Facilitation

The Management Company may, at its own responsibility and expense, from time to time appoint Investment Facilitator(s) to assist it in promoting sales of Units. The Investment Facilitators shall be remunerated by the Management Company out of the Front-end Load or out of its own resources.

6.1.7 Record Keeping

The Management Company has the primary responsibility for all record keeping, regular determination of announcement of prices, and for producing financial reports from time to time. However, the Trustee has the responsibility to ensure timely delivery to the Management Company of statements of accounts and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. The Management Company shall provide the Trustee unhindered access to all records relating to the Scheme.

6.2 Other functions and responsibilities of the Management Company

- 6.2.1 The Management Company shall operate and administer the Scheme and manage the Trust Property in the best interest of the Unit Holders, in good faith and to the best of its ability, without gaining any undue advantage for itself or any of its related parties, including its Connected Persons and group companies or its officers, subject to the restrictions and limitations as provided in this Deed, the Offering Document, and the NBFC Regulations and subject to any general or special exemptions or relaxations that may be granted by the SECP. The Management Company shall further ensure that the Scheme complies with the PMEX Regulations and regulations of the pertinent Commodity Exchange with respect to investments in Commodity Contracts. Any purchase or sale of investments made under any of the provisions of this Deed shall be made by the Trustee according to the instructions of the Management Company in this respect, unless such instructions are in conflict with the provisions of this Deed or the NBFC Regulations. The Management Company shall not be liable for any loss caused to the Scheme or to the value of the Trust Property due to any elements or circumstances of Force Majeure.
- 6.2.2 The Management Company shall comply with the provisions of the NBFC Rules and NBFC Regulations, this Deed and the Offering Document (as may be amended from time to time with the approval of the SECP) for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Management Company by any officer(s) or responsible official(s) of the Management Company or by any nominee(s) or agent(s) appointed by the Management Company and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions, as if these were its own acts and omissions and shall account to the Trustee for any loss in value of the Trust Property where such loss has been caused by its negligence or reckless or wilful act and/or omission or of its officers, officials or agents.
- 6.2.3 The Management Company shall develop criteria for appointing a diverse panel of Brokers and monitoring compliance thereof to avoid undue concentration of business with any single Broker.
- 6.2.4 The Management Company may, under intimation to the Trustee from time to time appoint, remove or replace the Registrar and bear its remuneration.
- 6.2.5 The Management Company shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Scheme and as may be necessary by the Trustee to discharge its obligations under the NBFC Regulations.
- 6.2.6 The Management Company shall be liable for such liability as may be expressly assumed by it under the NBFC Rules, NBFC Regulations and the Constitutive Documents of the Scheme. However, the Management Company shall not be liable for any loss caused to the Scheme or to the value of the Trust Property due to any elements or circumstances of Force Majeure.
- 6.2.7 The Management Company shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of (i) all assets and liabilities of the Scheme, (ii) the income and expenditure of the Scheme, (iii) all

transactions for the account of the Scheme, (iv) amounts received by the Scheme in respect of the issuance of Units, (v) pay out by the Scheme on redemption of Units and by way of distributions and (vi) pay out at the termination of the Scheme. The books of accounts and other records of the Scheme shall be maintained for a period as specified under the NBFC Regulations and/or SECP's directives from time to time.

- 6.2.8 The Management Company shall prepare and transmit within four month of the closing of the Accounting Period of the Scheme to the Unit Holders, the Trustee, the SECP and the Stock Exchanges on which the Units are listed, an annual report as per the requirement set out in Schedule-V of the NBFC Regulations, including (i) copy of the balance sheet and income statement, (ii) cash flow statement, (iii) statement of movement in the Unit Holders fund or the Net Assets or reserves and (iv) the Auditor's report of the Scheme.
- 6.2.9 The Management Company shall within one (1) month of the closing of the first quarter (3 months) and third quarter (9 months) and within two (2) months of the closing of the second quarter (6 months) prepare and transmit to the Unit Holders, the Trustee, the SECP and the Stock Exchanges on which the Units of the Scheme are listed (i) balance sheet as at the end of that quarter, (ii) income statement (iii) cash flow statement, (iv) statement of movement in Unit Holder's fund and (v) statement showing the securities owned at the beginning of the relevant period, securities purchased or sold during such period and the securities held at the end of such period, together with value (at carrying and at market) and the percentage in relation to its own assets and the issued capital of person whose securities are owned for that quarter, whether audited or otherwise. Provided that the SECP, subject to any conditions, may allow the Management Company to transmit the said quarterly accounts to the Unit Holders by placing them on the Management Company's website and the Management Company shall make the printed copy of the said accounts available to any Unit Holder, free of cost, as and when requested.
- 6.2.10 The Management Company shall maintain a Register of Unit Holders of the Trust (either in physical or electronic form) and inform the Trustee and the SECP of the address where the Register is kept.
- 6.2.11 The Management Company shall with the consent of the Trustee, appoint at the establishment of the Scheme and upon any vacancy, the Auditor who shall be independent of the auditor(s) of the Management Company and the Trustee and such Auditor shall be appointed as specified under the NBFC Regulations and the contents of the Auditor's report shall also be in accordance with the provisions of the NBFC Regulations.
- 6.2.12 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/disinvestment transactions entered into by it on behalf of the Scheme. The Management Company shall ensure that the settlement instructions are given promptly after entering into the transactions so as to facilitate the timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with the dictates of the transaction subject to the NBFC Regulations, the Offering Document and terms of this Deed.
- 6.2.13 The Management Company shall provide the Trustee with regular reports indicating forms of income or inflows or warrants relating to Investments that are due to be received. The Trustee shall make arrangements to facilitate the provision of information regarding the receipt of such amounts or warrants to the Management Company from time to time.
- 6.2.14 The Management Company is obliged to obtain a rating of the Scheme, once the Scheme becomes eligible for rating as per the rating criteria of the rating agency, and such rating shall be updated at least once every financial year and also published in the annual and quarterly reports of the Scheme.
- 6.2.15 The Management Company shall nominate one or more of its officers to act as attorney(s) for interacting with the Trustee.

- 6.2.16 The Management Company shall not apply for de-listing from Stock Exchange (if any), unless it has obtained prior approval of the SECP in writing to the scheme of de-listing.
- 6.2.17 The Management Company shall designate and disclose the location of its official points for acceptance of applications for issuance, redemption, conversion, etc of Units in the Offering Document of the Scheme and its website. The Management Company shall receive the said applications only at such designated points.
- 6.2.18 Subject to the prior approvals of the SECP and the SBP, the Management Company may in consultation with the Trustee appoint advisors and professionals in offshore countries for making investments in such countries and/or for issuing Units to the investors in the offshore countries and in particular, shall determine the legal and regulatory requirements to be fulfilled by the Fund, the Management Company and the Trustee in their respective capacities, in relation thereto. The fees of such advisors and professionals shall not be charged to the Scheme.
- 6.2.19 The Management Company shall formally forward all the requests for dealing in Units, duly time and date stamped, to the Trustee within 24 hours of the receipt of such requests.
- 6.2.20 The Management Company shall be obliged to process payment instrument immediately on receipt of application
- 6.2.21 The Management Company may, if it considers necessary for the protection of Trust Property or safeguarding the interest of the Unit Holders, request the Trustee to institute or defend any suit, proceedings, arbitration or inquiry or any corporate or shareholders action in respect of the Trust Property or any part thereof.
- 6.2.22 The Management Company shall not:
- (a) acquire the management of another scheme, unless it has obtained the prior written approval of the SECP;
 - (b) pledge any of the securities held or beneficially owned by the Scheme except as allowed under the NBFC Regulations;
 - (c) accept deposits from the Scheme;
 - (d) make a loan or advance money to any person from the assets of the Scheme;
 - (e) participate in a joint account with others in any transaction on behalf of the Scheme, except for collection account of the Schemes managed by it;
 - (f) apply any part of the assets of the Scheme to real estate;
 - (g) make any investment of the Scheme which will vest the management or control of the affairs of the investee company in the Management Company or its group;
 - (h) undertake brokerage services on stock exchanges or in the money market on behalf of the Scheme;
 - (i) enter, on behalf of the Scheme, into underwriting or sub-underwriting contracts;
or
 - (j) maintain its own equity portfolio except for investments made by the Management Company into the Scheme.

7. CHANGE OF MANAGEMENT COMPANY

- 7.1 The SECP may either at its own or on the recommendation of the Trustee may remove the Management Company by giving at least ninety (90) days notice in writing to the Management Company and cause the Trustee to appoint a new management company with the approval of the SECP, if any of the following have occurred.
- a) the Management Company has wilfully contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;
 - b) the Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation); a receiver is appointed over any of the assets of the Management Company; or
 - c) if the Management Company becomes ineligible to act as the management company of the Trust under the provisions of the NBFC Rules and/or the NBFC Regulations or any other law for time being in force.

Provided that any notice given to the Management Company shall not be construed as acceptance of such contravention or violation and the Management Company shall have the right to defend such action.

- 7.2 In circumstances where the SECP is of the opinion that the Management Company has been in violation of the NBFC Regulations or the provisions of this Trust Deed or is found guilty of misconduct or has failed to discharge its obligation under the NBFC Regulations, the SECP may remove the Management Company after giving opportunity of being heard.
- 7.3 The Management Company may voluntarily retire at any time after giving at least ninety (90) days prior notice to the Trustee and with the prior written consent of the SECP. Provided that until the new management company is appointed, the Management Company shall continue to perform its function as the management company.
- 7.4 If the SECP has cancelled the registration of the Management Company under the provisions of the NBFC Rules and NBFC Regulations, the SECP or the Trustee, (if authorised by the SECP) shall appoint another asset management company as the management company for the Scheme according to the provisions of this Deed and the NBFC Rules and NBFC Regulations.
- 7.5 Upon a new management company being appointed, the Management Company will take immediate steps to deliver all the documents and records pertaining to the Scheme to the new management company and shall pay all sums due to the Trustee.
- 7.6 Upon its appointment, the new management company shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the management company hereunder as fully as though such new management company had originally been a party hereto.
- 7.7 The Trustee may immediately in case of removal of Management Company appoint auditors with the consent of SECP from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.
- 7.8 The Auditors appointed under Clause 7.6 above shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.
- 7.9 The Auditors appointed under Clause 7.6 shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Trustee or SECP.
- 7.10 The report for the audit shall be submitted by the Auditors to the Trustee not later than thirty Business Days from their appointment. A copy of the report shall also be provided to SECP, outgoing Management Company and the new management company.

- 7.11 The costs of audit shall be shared equally by the outgoing Management Company, and the Scheme.
- 7.12 The Management Company shall have the right to receive its remuneration accrued upto the date of removal or retirement.

8. ROLE OF THE TRUSTEE

- 8.1 The Trustee has the responsibility of taking the Trust Property under its custody or control, as the nominal owner for the benefit of the beneficial owners (the Unit Holders), within the framework of the NBFC Regulations, this Deed and the Offering Document. Cash, registerable assets and other Trust Property shall at all times be registered in the name, or to the order of, the Trustee.
- 8.2 The Trustee shall invest the Trust Property from time to time at the direction of the Management Company strictly in terms of the provisions contained and the conditions stipulated in the Constitutive Documents, the NBFC Regulations and any other conditions (if any) imposed by the SECP from time to time.
- 8.3 The Trustee shall have all the obligations entrusted to it under the NBFC Regulations, the Trusts Act 1882, this Deed and the Offering Document (as may be amended from time to time with the approval of the SECP).
- 8.4 The Trustee shall nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Management Company.
- 8.5 The Trustee shall in consultation with the Management Company appoint and may also remove and replace from time to time one or more Bank(s) and /or other depository company(ies), to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms, as the Trustee and the Management Company may mutually agree and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Custodian(s). Provided however, the Trustee may also itself provide custodial services for the Scheme at competitive terms as part of its normal line of business.
- 8.6 The Trustee shall comply with the provisions of this Deed for any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee in consultation with the Management Company. Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Scheme for any loss in value of the Trust Property, where such loss has been caused by wilful acts and/or omissions of the Trustee or any of its directors, officers, nominees or agents.
- 8.7 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Scheme, if the Trustee had acted in good faith in accordance with or in pursuance of any request of the Management Company, provided these were not in conflict with the provisions of this Deed or the NBFC Regulations. Whenever pursuant to any provisions of this Deed, any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof:
- i) A document signed or purporting to be signed on behalf of the Management Company by any person(s), whose signature the Trustee has for the time being authorised in writing by the Management Company to accept.
 - ii) Any instructions received Online through the software solution adopted by the Management Company in consultation with the Trustee for managing and keeping

records of the Scheme to the satisfaction of the Trustee and the Management Company.

- iii) Instructions/information given electronically to the Trustee or the Management Company based on distinctive users IDs and passwords allocated to authorized person(s) of the Management Company or the Trustee through a computerized system for which both the parties i.e. the Management Company and the Trustee have agreed in writing. In case of any error or omission occurring in electronic system due to system malfunction or any instruction(s) based on such system contain any error or omission due to the above malfunction, neither the Management Company, nor the Trustee will be liable for the same and shall act in the best interests of the Fund and the Unit Holders.
 - iv) Third party evidence where require such as broker contracts, bills, etc. in relation to (i) and (ii) above.
- 8.8 The Trustee shall not be liable to any loss caused to the Scheme or the value of the Trust Property due to any elements or circumstances of Force Majeure.
- 8.9 The Trustee shall carry out the instructions of the Management Company in all matters including the investments and the disposition of the Trust Property unless such instructions are in conflict with the provisions of this Deed and/or the Offering Document(s), the NBFC Regulations and/or any other applicable law.
- 8.10 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.
- 8.11 The Trustee shall, if requested by the Management Company or may, if it considers necessary for the protection of the Trust Property or safeguarding the interest of Unit Holders institute or defend any suit, proceedings, arbitration or enquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorised directors and officers. All reasonable costs, charges and expenses (including legal fees) incurred in instituting or defending any such action(s) shall be borne by the Scheme and the Trustee shall be indemnified against all such costs, charges and expenses. Provided that no such indemnity shall be available in respect of any action taken against the Trustee for wilful/gross negligence, or breach of its duties in connection with the Scheme under this Deed or the NBFC Regulations. For the avoidance of doubt, it is clarified that notwithstanding any thing contained in this Deed the Trustee and the Management Company shall not be liable for any loss caused to the Scheme or to the value of the Trust Property due to any elements or circumstances of Force Majeure except such liability as may be expressly assumed by them under the NBFC Rules, NBFC Regulations and the Constitutive Documents.
- 8.12 The Trustee shall not invest in the Units of the Fund.
- 8.13 The Trustee shall not be under any liability, except such liability as may be expressly assumed by it under the NBFC Regulations and this Deed nor shall the Trustee be liable for any act or omission of the Management Company or for anything except its own negligence or wilful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed and the Trustee shall not be under any liability therefor or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted, to be done in good faith hereunder. Notwithstanding removal/resignation of the Trustee, the Trustee shall remain entitled to the benefit of this Clause.
- 8.14 The Trustee shall ensure that (a) the sale, purchase, issue, repurchase, redemption, transfer and cancellation of Units are carried out in accordance with the provisions of this Deed, the Offering Document and the NBFC Regulations; (b) the methodology and

procedures adopted by the Management Company in calculating the value of the Units are adequate and (c) the pricing and valuation for sale, issue, repurchase, redemption and cancellation of Units are in accordance with the provisions of the Deed, the Offering Document and the NBFC Regulations. In order to get these comforts, the Trustee shall have an unhindered access to records and information pertaining to the Scheme maintained with the Management Company or its agents.

- 8.15 The Trustee shall ensure that the investment and borrowing limitations set out in the Constitutive Documents and the NBFC Regulations and the conditions under which the Scheme was authorized are complied with.
- 8.16 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by, the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or form any court, government, regulator, stock or other exchange or any instruction of the Management Company in all such matters relating to recovery of the Trust Property.
- 8.17 The Trustee shall ensure the Units of the Scheme have been issued after realization of subscription money.
- 8.18 The Trustee shall ensure at the time of investment, subject to timely receiving of Purchase Contracts from the Management Company that the balance amount available in the earmarked Bank Account mentioned in Clause 10.4 and 11.1.4 is not less than the value of the outstanding Commodity Contracts, less the amount of margins deposited with the pertinent Commodity Exchange with respect to such Contracts.
- 8.19 The Trustee shall issue its report(s) to the Unit Holder(s) to be included in the annual and second quarterly report of the Trust in accordance with the provisions of the NBFC Regulations, as provided in Clause 4.4 above.
- 8.20 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Management Company as may be considered necessary to facilitate the Trustee in issuing the certification required under the NBFC Regulations. The Trustee shall endeavour to provide its reports at the earliest date reasonably possible.
- 8.21 The Trustee shall timely comply with the settlement instructions received from the Management Company in accordance with the dictates of the specific transactions, subject to the provisions of this Deed and the Offering Document.
- 8.22 The Trustee shall arrange for an annual system audit by its auditors and provide the report to this effect to the SECP and the Management Company, within four months of the close of the financial year.
- 8.23 The Trustee shall ensure that the Management Company has specified criteria in writing to provide for a diverse panel of Brokers at the time of offering of the Scheme and shall also ensure that the Management Company has been diligent in appointing Brokers to avoid undue concentration with any Broker.
- 8.24 The Trustee shall immediately inform the SECP if any action of the Management Company contravenes the Ordinance, the NBFC Rules, the NBFC Regulations, the Constitutive Documents, guidelines, codes, circulars, directives or any other applicable laws.
- 8.25 The Trustee shall comply with the directions of the SECP given in the interest of the Unit Holders of the Fund.
- 8.26 The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions to Offering Document and Terms of this Deed.

9. CHANGE OF TRUSTEE

9.1 Manner in which Trustee may retire

The Trustee may, subject to a three month prior written notice to the Management Company and prior written approval of the SECP, retire from its office on appointment of a new trustee approved by the SECP. In the event of the Trustee desiring to retire, the Management Company, within a period of three months after receiving a notice to that effect from the Trustee and with the prior written approval of the SECP, may by a Deed supplemental hereto under the seal of the Management Company appoint a new trustee under the provisions of the NBFC Regulations in place of the retiring Trustee and also provide in such Deed for the automatic vesting of all the assets of the Scheme in the name of the new trustee. Provided that the obligations of the Trustee shall continue and the Trustee shall also receive its remuneration until the new trustee is appointed. In case the Trustee decides to retire voluntarily, as above, it shall endeavour its best to suggest the name(s) of alternate company(s) or institution(s) qualified for being appointed as trustee to the Management Company and the SECP for appointment as the trustee, in the place of the Trustee. The Trustee shall extend all possible and necessary help in the handover process. Provided that the retirement of the Trustee shall take place from the date of appointment of the new trustee with the approval of the SECP, or from the date of assumption of the assets of the Trust by the newly appointed Trustee, whichever is later.

- 9.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Scheme under the provisions of the NBFC Regulations, the Management Company shall, with the prior approval of the SECP and by an instrument in writing, remove the Trustee from its appointment under this Deed and shall simultaneously appoint another entity as trustee of the Scheme in accordance with the provisions of the NBFC Regulations.
- 9.3 In circumstances where the SECP is of the opinion that the Trustee has been in violation of the NBFC Rules or the NBFC Regulations or the provisions of this Trust Deed or is found guilty of misconduct or has failed to discharge its obligation under the NBFC Regulations, the SECP may remove the Trustee after giving opportunity being heard.
- 9.4 The Management Company may apply to the SECP, giving cogent reasons for change of Trustee by simultaneously proposing the appointment of a new trustee. The SECP, if satisfied with the circumstances and reasons for the change applied for may accord approval for appointment of a new trustee after providing an opportunity of hearing to the Trustee.
- 9.5 Upon the appointment of a new trustee, the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Trust Property and any amount held in any Distribution Account to the new trustee and make payments to the new trustee of all sum due from the Trustee.
- 9.6 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 9.7 Notwithstanding the removal/resignation of the Trustee and its subsequent discharge from its duties under this Deed and the NBFC Regulations, the Trustee shall remain entitled to the benefit of clauses 8.7, 8.8, 8.9 and 8.13 without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/or the NBFC Regulations.
- 9.8 The Trustee shall have the right to receive its remuneration up to the effective date of removal or retirement.

- 9.9 The Management Company may immediately upon the issuance of notice of removal of Trustee appoint Auditors with the consent of SECP from amongst the panel of auditors designated as "A" category by State Bank of Pakistan for the audit of Financial Institutions.
- 9.10 The Auditors so appointed under Clause 9.9 above shall be other than the existing auditors of the Scheme, the Management Company and the Trustee.
- 9.11 The Auditors appointed under Clause 9.9 above shall have the same scope as that for the annual audit, or such other enhanced scope as may be specified by the Management Company or the SECP.
- 9.12 The report for the audit shall be submitted by the Auditors to the Management Company not later than thirty Business Days from their appointment. A copy of the report shall also be provided to SECP, outgoing Trustee and the new trustee.
- 9.13 The costs of audit shall be shared equally by the outgoing Trustee, the new trustee and the Scheme.

10. BANK ACCOUNTS

- 10.1 The Trustee shall open Bank Accounts titled "*CDC Trustee - IGI Capital Protected Fund*" for the Scheme at such branches of Banks with rating as per the NBFC Regulations and directives, notifications and circulars issued by the SECP and at such locations (including outside Pakistan, subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan and abroad) as may be requested by the Management Company from time to time. The Management Company shall also ensure that all necessary approvals are obtained, including approval from the Board of Directors, as specified in the NBFC Regulations and/or notified by the Commission from time to time.
- 10.2 The Management Company may also require the Trustee to open separate Bank Account as Distribution Account(s) for each dividend distribution of the Scheme. Notwithstanding anything in this Deed and subject to Clause 10.5 hereafter, the beneficial ownership of the balances in the accounts shall vest in the Unit Holder(s).
- 10.3 All income or profit, etc. earned in the Distribution Account(s), if any, including those accruing on unclaimed dividends, shall form part of the Trust Property for the benefit of the Unit Holders and shall be transferred periodically from the Distribution Account(s) to the main Bank Account of the Trust.
- 10.4 The Trustee shall open a separate Bank Account, which shall be earmarked for depositing or holding amounts of the total value of the outstanding Commodity Contracts, less the amount of margin deposited with the Commodity Exchange as stipulated in Clause 11.1.4 hereafter.
- 10.5 All bank charges for opening and maintaining Bank Account for the Trust shall be charged to the Scheme.
- 10.6 The amount received from the Core Investors and Pre IPO Investors during Pre IPO, which will be a part of Trust Property, shall be deposited in a separate Bank Account titled "*CDC Trustee - IGI Capital Protected Fund - Pre IPO*". Income, profit, interest, etc. earned and received on such amount after reducing any expenses incurred immediately before the start of the Initial Period shall be paid upon receipt of such income, profit etc. to such investors on proportionate basis of their core investments and Pre IPO subscription amounts and shall not form part of the Trust Property.
- 10.7 Notwithstanding anything in this Trust Deed, the beneficial ownership of the balances in the Bank Accounts shall vest with the Unit Holder(s), except for the Bank Accounts mentioned in clauses 10.2 and 10.6 above.
- 10.8 The Trustee shall, if requested by the Management Company, subject to relevant regulatory approvals open Bank Accounts titled *CDC Trustee - IGI Capital Protected*

Fund" in offshore countries where the Investments are made on account of the Fund, such Investments necessitate opening and operation of Bank Accounts by the Trustee. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms of such Banks, including custodial/sub-custodial services accounts and brokerage accounts with such Banks, Custodians, sub-custodians, and Brokers, as may be required to be appointed for offshore Investments of the Fund. The opening, operation and maintenance of such Bank Accounts, custodial/sub-custodial and brokerage services accounts in offshore countries shall always be subject to the approval of the SBP and the exchange control regulations as well as any directives of the SBP and/or the SECP.

11. INVESTMENT OF TRUST PROPERTY, INVESTMENT RESTRICTIONS AND BORROWING ARRANGEMENTS

11.1 Investment of Trust Property

- 11.1.1 During and prior to the close of the Initial Offer, the Trustee shall hold funds received from Core Investors and Pre IPO investors during Pre IPO in account titled "*CDC Trustee - IGI Capital Protected Fund – Pre IPO*" with a scheduled bank having rating as per the NBFC Regulations and directives issued by the SECP and as approved by the Management Company and on the request of the Management Company from time to time, the Trustee shall invest such amount in short term Investments for the benefit of the Core Investors and Pre-IPO Investors. The income earned on such investments shall not form part of the Trust Property. After the Initial Offer, all Trust Property, except in so far as such cash may in the opinion of the Management Company be required for Distribution, shall be invested by the Trustee from time to time in line with the Investment Objective of the Scheme, in such Authorised Investment as may (subject always to the provisions of this Deed, the Offering Document, the NBFC Regulations and directives issued by the SECP) be directed by the Management Company in accordance with the Investment Policy given above.
- 11.1.2 Any Investment may at any time be realised at the discretion of the Management Company either in order to invest the proceeds in other Authorised Investment(s) or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceases to be an Authorised Investment shall be realised within the period of three months and the net proceeds of realisation shall be applied in accordance with this clause; provided that the Trust may postpone the realisation of such Investment for such period as the Management Company and the Trustee may determine to be in the interest of the Unit Holders.
- 11.1.3 The purchase or sale of any Investment in Commodity Futures Contracts for the account of the Trust shall be made through a Broker who must be a member of the pertinent Commodity Exchange. The Management Company will appoint the Broker(s) from time to time having good standing in the market under intimation to the Trustee, subject to the provisions of the NBFC Rules, NBFC Regulations, PMEX Regulations and regulations of the pertinent Commodity Exchange, in case the Commodity Exchange is other than PMEX.
- 11.1.4 Subject to the NBFC Rules, NBFC Regulations and the PMEX Regulations and the regulations of the pertinent Commodity Exchange (in case the same is other than PMEX) with respect to investment in Commodity Futures Contracts, , the Management Company on behalf of the Fund may deal in such Commodity Contracts as per the rules and regulations of the pertinent Commodity Exchange and the terms and conditions governing such Contracts. The Management Company shall instruct Trustee to deposit the margins on Commodity Futures Contracts as required under the PMEX Regulations or the rules and regulations of the pertinent Commodity Exchange (in case the same is other than PMEX). The Management Company, at the time of entering into such Commodity Futures Contracts shall instruct the Trustee to transfer the differential amount between the said Future Contracts amounts and margins deposited for the respective Contracts, to a separate Bank Account opened specifically for this purpose. This account shall be earmarked and shall only be used to deposit any mark to market losses at the Commodity Exchange with respect to Commodity Futures Contracts.. In case of release

of mark to market losses the amount shall be deposited into the respective earmarked Bank Account, till settlement of the respective Contract. The amount in this earmarked Bank Account shall be released by the Trustee on the instructions of the Management Company upon maturity/settlement of the respective Commodity Contracts.

11.1.5 The Trustee shall ensure at the time of investment, subject to the timely receiving of purchase Contracts from the Management Company, that the balance in the earmarked Bank Account mentioned in Clause 11.1.4 above, is not less than the value of outstanding Commodity Futures Contracts, less the amount of margins deposited with the Commodity Exchange with respect to such Contracts.

11.1.6 The Management Company in managing the Fund shall abide by all the provisions of this Deed, the Offering Document, NBFC Regulations, PMEX Regulations and regulations of other pertinent Commodity Exchanges with respect to investments in Commodity Contracts and any other applicable law(s).

11.2 Investment and Exposure Restrictions

11.2.1 The Management Company on behalf of the Scheme will not at any time, except as otherwise allowed under the NBFC Regulations:

1. Purchase or sell:

- bearer securities;
- securities which result in assumption of unlimited liability (actual or contingent);
- securities on margin, excluding such securities as mentioned in the authorised investments;
- real estate , commodities (other than Commodity Contracts traded at Commodity Exchange and the securities issued by commodity companies);
- any security in a forward contract, except for Commodity Contracts traded at the Commodity Exchange and forming part of the Authorized Investments;
- commodities in the form of physical delivery;
- any Investment other than Authorised Investments as defined herein

2. participate in a joint account with others in any transaction on behalf of the Scheme, except for collection account;

3. make short sales of any security or maintain a short position in securities whether listed or unlisted.

4. enter into transaction(s) with Broker(s) where the limits(s) prescribed by NBFC Regulations from time to time are exceeded;

5. invest in securities of the Management Company;

6. apply for de-listing from Stock Exchange unless it has obtained prior written approval of the SECP.

11.2.2 The Trust Property shall be subject to such exposure limits as are provided in the NBFC Regulations (subject to any exemptions that may be specifically given to the Fund by the SECP); Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment or disposal of any Investments such limit shall be exceeded. The Management Company will have three (3) months to comply with the exposure limits in case such limits are exceeded.

11.2.3 The Trust shall not invest more than twenty five (25) percent of its Net Asset Value or the Net Asset Value of the Scheme in securities of any one sector as per classification of the Stock Exchange(s).

- 11.2.4 If and so long as the value of the holding on account of the Scheme in a particular company or sector shall exceed the limit imposed by the NBFC Regulations, the Management Company shall not purchase any further Investments in such company or sector. The Management Company will have three months to comply with the exposure limits if exceeded, unless the said period of three months is extended by the Commission.
- 11.2.5 The Trust Property shall not be invested in any security of a company if any director or officer of the Management Company or any of their Connected Persons owns more than five per cent of the total nominal amount of the securities issued or collectively the directors and officers of the Management Company or any of their Connected Persons own more than ten per cent of those securities.
- 11.2.6 The Investment of the Scheme in any company shall not, at any time, exceed an amount equal to 10% of the total Net Assets of the Scheme at the time of investment or 10% of the issued capital or debt instruments of the investee company.
- 11.2.7 The total Exposures in any single group shall not exceed more than 35% (thirty five percent) of the Net Assets of the Trust or 10% (ten percent) of its Net Assets in listed group companies holding licences of asset management services and such Exposure shall only be taken through secondary market.
- 11.2.8 Risk management parameters shall be disclosed in the Offering Document of the Scheme.
- 11.2.9 The Management Company on behalf of the Fund shall not at any time roll over the investments, if in the opinion of the Trustee, the Fund would not be able to issue payment instrument(s) for redemption money to the Unit Holder(s) within time period stipulated in the Regulations.
- 11.2.10 The Management Company on behalf of the Fund shall not at any time net off any investment of the Fund against the investment(s) of the Unit Holder(s) in the Fund.
- 11.2.11 No netting off transaction (adjustment of assets of the Scheme against the investment of Unit Holders) shall be allowed within the same Scheme.
- 11.2.12 Rating of any bank or DFI with which funds are placed shall not be lower than AA- (Double A minus).

11.3 Exception to Investment Restrictions

In the event, the weightages of prescribed limits exceed the limits laid down in the Offering Document and the NBFC Regulations, as a result of the relative movement in the market prices of the investments or through any disinvestments or through subscription to right/bonus/other offerings or decrease in Net Assets of the Trust due to redemptions, the Management Company shall bring the exposure within three months or such time as specified in the NBFC Regulations and/or prescribed by the SECP; however in any case, the Management Company shall not invest further in such securities while the deviation exists.

11.4 Borrowing Arrangements

- 11.4.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Management Company may arrange borrowing for account of the Trust, with the approval of the Trustee, from Banks, financial institutions, non-banking finance companies or collective investment schemes. The borrowing, however, shall not be resorted to, except for meeting the redemption requests and shall be repayable within a period of ninety days or such time as may be prescribed under the NBFC Regulations from time to time. Such borrowing shall not exceed 15% of the total Net Asset Value of the Scheme at the time of borrowing or any other limit as may be specified by the SECP from time to time. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.

- 11.4.2 The charges payable against borrowing on account of the Trust as permissible under Clause 11.4.1 above shall not be higher than the normal prevailing market rates.
- 11.4.3 Neither the Trustee, nor the Management Company, shall be required to issue any guarantee or provide security over their own assets for securing such borrowing. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 11.4.4 For the purpose of securing any such borrowing the Trustee may on the instructions of the Management Company mortgage, charge or pledge in any manner all or any part of the Trust Property. Provided that the aggregate amount of borrowing availed by such mortgage, charge or pledge shall not exceed the limits provided under the NBFC Rules and NBFC Regulations and/or any law for the time being in force.
- 11.4.5 Neither the Trustee nor the Management Company shall be liable for any depletion in the Trust Property that may result from any financing arrangement.
- 11.4.6 The Management Company and the Trustee shall ensure that no investments are rolled over in case the borrowing limits have already been exhausted and redemptions are pending for more than six Business Days.

12. VALUATION OF PROPERTY AND PRICING

12.1 Valuation of the Trust Property

The method of determining the value of the assets and liabilities of the Trust Property and the Net Assets shall be in compliance with the NBFC Regulations, NBFC Rules, circulars, directives and is stated herein below:

- (a) a debt security, including traded, thinly traded and non-traded securities shall be valued as per the 'Methodology or Valuation of Debt Securities' contained in Annexure-1 of the SECP's Circular No.01 of 2009 and shall be provisioned in accordance with the criteria specified in Annexure II of the said Circular and any other circular or directive issued by the SECP from time to time, in substitution or amendment thereof and otherwise as per the Regulations. The trade related information on debt securities shall be reported to Mutual Funds Association of Pakistan (MUFAP) and the SECP in accordance with the SECP's Circular No.02 of 2009 or any substitutions or amendments thereof from time to time;
- (b) an Investment purchased and awaiting payment against delivery shall be included for valuation purposes;
- (c) an Investment sold but not delivered pending receipt of proceeds shall be valued at the net sale price;
- (d) the value of any dividends, which may have been declared on securities in the portfolio but not received by the Scheme as of the close of business on the valuation date shall be included as assets of the Scheme if the security upon which such dividends, bonuses or rights were declared is included in the assets and is valued ex-dividend, ex-bonus or ex-rights as the case may be;
- (g) mark-up accrued on any mark-up-bearing security in the portfolio shall be included as an asset of the Scheme if such accrued mark-up is not otherwise included in the valuation of the security;
- (h) any other income accrued upto the date on which computation was made shall also be included in the assets;
- (i) all liabilities, expenses and other charges due or accrued up to the date of computation which are chargeable under the NBFC Regulations and taxes shall be deducted from the value of the assets;

- (j) the remuneration accrued up to the date of computation payable to the Management Company for providing management and other services shall be included as an expense;
- (k) a security not listed or quoted on a Stock Exchange, other than a government or debt security, shall be valued at investment price or its break-up value as per last audited accounts, whichever is lower;
- (l) a government security not listed on a Stock Exchange and traded in the interbank market shall be valued at the average rate quoted on a widely used electronic quotation system and such average rate shall be based on the remaining tenor of the security;
- (m) in respect of investments held in foreign currencies, the same shall be translated in Pakistan Rupees using the closing buying spot rates declared by the State Bank of Pakistan at each balance sheet date;
- (n) valuation of Commodity Contracts portfolio shall be calculated on the basis of the last closing rate available for the pertinent Commodity Contracts on the Commodity Exchange as may be permitted or prescribed by the SECP. Moreover, the NAV of the Fund on any specific Business Day shall represent the impact of all the transactions (purchase and/or sale) in the pertinent Commodity Contracts entered into before the close of the immediate preceding session of the Commodity Exchange;
- (o) any such method of valuation of assets and liabilities as may be specified or modified by the SECP from time to time shall be applied;
- (p) the Scheme shall adhere to the provisioning criteria for various non-performing categories of securities as per the circulars, directives and guidelines issued by the SECP from time to time. The provisioning policy of the Management Company duly approved by its Board shall be disclosed in the Offering document of the Fund and shall also be placed on the website of the Management Company.

12.2 Allocation of Front-end Load

- 12.2.1 The remuneration of Distributors for the sale of Units with Front-end Load shall be paid exclusively from any Front-end Load received by the Trustee and paid to the Management Company after the Trustee pays the Front-end Load to the Management Company for onward distribution to the Distributors and no charge shall be made against the Trust Property or the Distribution Account in this respect. The Trustee shall pay the remainder of any Front-end Load after such disbursement to the Management Company as additional remuneration for their management services for the Scheme. If the Front-end Load received by the Trustee is insufficient to pay the remuneration of the Distributors, the Management Company shall pay the amount necessary to pay in full such remuneration.
- 12.2.2 Such payments may be made to the Management Company by the Trustee on the instruction of the Management Company on any frequency as mutually agreed.
- 12.2.3 A Distributor located outside Pakistan may if so authorized by the Management Company and the Trustee retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the Law for the time being in force.

12.3 Determination of Offer Price

- 12.3.1 During the period of Initial Offer, the Units shall be offered at the Initial Price. The offer and issuance of Units during the Initial Offer shall be conducted during the period specified in the Offering Document. After the expiry of the Initial Offer, the Offer Price shall be calculated and announced by the Management Company on Subscription Days only and in accordance with the NBFC Regulations.

12.3.2 The Offer Price shall be equal to the sum of:

- (a) the Net Asset Value as of the close of Business Day to be announced by the Management Company latest by 18.30 hours on that Business Day;
- (b) any Front-end Load, as announced in the Offering Document, but not exceeding five per cent (5%) of the Net Asset Value;
- (c) such amount as the Management Company may consider being an appropriate provision for Duties and Charges;
- (d) such amount as the Management Company may consider an appropriate provision for Transaction Costs.

Such sum shall be adjusted upto four decimal places.

12.3.3 The Offer Price shall be calculated on each Subscription Day.

12.3.4 The Offer Price so determined shall subject to realization of the Funds in the Bank Account from the investor, apply to purchase requests complete in all respects made and received by the authorized personnel of the Authorized Transaction Location (ATL) or Management Company within the following cut off timings:—

<u>Day</u>	<u>Time</u>
Monday to Friday	0.9.00 a.m. to 3.00 p.m.

12.3.5 All forms received at the Authorized Transactions Locations (ALTs) within the cut off time mentioned in sub-clause 12.3.4 above, shall be acknowledged by appropriate date and time stamping mechanism. The Management Company shall forward all the purchase requests to the Trustee within twenty four hours of the receipt thereof.

12.3.6 In case after receiving the application, funds are not realized against cheque, bank draft, or other payment instrument delivered by the applicant, no Units shall be credited or issued to him and the applicant shall be liable to reimburse the Management Company the bank charges and other costs, applicable on return or dishonor of the cheque, bank draft or other payment instrument.

12.3.7 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 12.3.2(c) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case, the excess shall be recovered from the Trust Property).

12.3.8 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 12.3.2(c) exceeds the relevant amount of Duties and Charges, the Registrar shall issue additional Units or fractions thereof to the Unit Holder(s) based on the price applicable to the Units issued against the relevant application

12.3.9 The Offer Price determined by the Management Company shall be made available to the public at the official website and branches of the Management Company and ATLs and at the discretion of the Management Company may also be published in any number of daily newspapers, one in English and one in Urdu, widely circulated in Pakistan and shall be available at its website.

12.3.10 If the variation of the Net Asset Value at any time exceeds or fall short by five (5) percent of the Net Asset Value included in the current offer price, the management company may suspend any issuance of units and shall calculate for with a new offer price. The Management Company shall also inform the SECP and the Trustee of the

suspension of issuance of Units along with announcement of the new Offer Price, and publish the same in newspaper in which the Unit's prices are normally published.

12.3.11 Offer Price of the Scheme will be announced on its subscription day at Company's as well as on MUFAP's website latest by 6.30 pm or any other time announced by SECP.

12.4 Determination of Redemption Price

12.4.1 During the period of Initial Offer, the Units shall not be redeemed.

12.4.2 After the expiry of the period of Initial Offer, the Redemption Price shall be equal to the Net Asset Value as of the close of the Business Day to be announced by the Management Company latest by 18.30 hours on that Business Day, less:

- (a) Back-end Load, as announced in the Offering Document, not exceeding 5% of the Net Asset Value;
- (b) such amount as the Management Company may consider an appropriate provision for Duties and Charges;
- (c) such amount as the Management Company may consider an appropriate provision for Transaction Costs;

such amount shall be adjusted upto four decimal places.

12.4.3 The Redemption Price shall be calculated on each Subscription Day.

12.4.4 The Redemption Price so determined shall apply to redemption requests complete in all respects made and received by the authorized personnel of the Authorized Transaction Location (ATL) or Management Company within the following cut off timings:—

<u>Day</u>	<u>Time</u>
Monday to Friday	0.9.00 a.m. to 3.00 p.m.

12.4.5 All forms received at the Authorized Transactions Locations (ATLs) within the cut off time mentioned in sub-clause 12.4.4 above, shall be acknowledged by appropriate date and time stamping mechanism. The Management Company and authorized distributors shall forward all the redemption requests to the Trustee within twenty four hours of the receipt thereof.

12.4.6 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 12.4.2(b) above is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions.

12.4.7 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 12.4.2(b) above exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders with the next income distribution or if instructed by the Management Company, at any time earlier.

12.4.8 The Redemption Price determined by the Management Company shall be made available to the public at the official website and branches of the Management Company and ATLs and at the discretion of the Management Company may also be published in any number of daily newspapers widely circulated in Pakistan and make available at its website.

12.4.9 The Management Company shall not flip any redemption requests which will be met in turns in accordance with the dated and timed acknowledgements.

12.4.10 The Management Company shall ensure that all valid redemption requests are paid based on their ranking in a queue.

12.4.11 The Management Company on behalf of the Fund shall not at any time net off or permit adjustment of any investment of the Fund against the investments of Unit Holder(s) in the Fund.

12.4.12 The Management Company shall ensure that no entry and exit to the Scheme (including redemption and re-issuance of units to the same Unit Holders on different NAVs) shall be allowed other than cash settled transactions based on the formal issuance and redemption request, unless permitted otherwise by the SECP under the NBFC Regulations.

12.5 Allocation of Back-end Load

Any Back-end Load received by the Management Company on redemption of Units shall accrue to the Fund.

12.6 Cut off timing

The cut off timings for issuance, redemption, conversion etc. of Units for all Business Days shall be disclosed in the Offering Document and at designated points and shall also be announced on the company website from time to time. Such cut-off timing shall uniformly apply on all Unit Holders.

12.7 Time Stamping

The Management Company will ensure that all applications received by Distributors for issuance, redemption, conversion etc of Units, have date and time stamping mechanism in place for timely acknowledgement of applications. All information regarding issuance, redemption, conversion etc. shall be forwarded within 24 hours upon receipt to the Trustee and Registrar in physical and/or electronic form.

13. DEALING, SUSPENSION AND DEFERRAL OF DEALING (OF UNITS)

13.1 Issuance of Units

13.1.1 The Management Company shall be responsible for obtaining all requisite consents and approvals for the offer and issue of Units and for the issue, compilation and publication or circulation of the Offering Document.

13.1.2 Application for issuance of Units shall be made by an investor by completing the prescribed application form and submitting it with the payment by cheque, bank draft, pay order, online transfer or credit card etc. in favour of the Trustee and crossed "Account Payee Only" at an ATL. The application for issuance of the Units and the specimen signature of each investor shall be submitted to the Registrar and a copy may be retained by the relevant ATL, if so required by the Management Company. The authorized personnel of the ATL shall verify the particulars given in the application for issuance of Units and the documents submitted therewith.

13.1.3 Units shall be issued on the Offer Price announced by the Management Company for the applications for which funds have been realized along with the completed application form(s) received at the ATL within the Cut off time (as announced by the Management Company via the company website from time to time) on a Subscription Day. If the application submitted by the investor is incomplete in any aspect, the investor shall have a maximum of fifteen (15) calendar days to ensure submission of all required documents and overall completion of the application. An investor shall be provided a confirmation statement within seven (7) Business Days after the issuance of Units subject to the completion of application in all respects.

13.1.4 Each investor shall be liable to pay the Offer Price of the Units subscribed by him together with a sum sufficient in the opinion of the Management Company to cover

any Duties and Charges, levies etc payable in connection with the purchase of such Units and no further liability shall be imposed on him in respect of any Units held by him.

13.1.5 The Units shall be issued in fractions upto four decimal points, only against receipt of full payment.

13.1.6 The issuance of fresh Units shall remain suspended during the period when the redemption of Units is suspended.

13.2 Redemption of Units

13.2.1 The Trustee shall at any time during the life of the Scheme on the instruction of the Management Company authorize redemption of Units out of the Trust Property.

13.2.2 Application for redemption of Units shall be made by completing the prescribed application form for redemption and submitting it at an ATL. Application for redemption shall be retained by authorized personnel of the ATL and a copy may be supplied to the Registrar, if so required by the Management Company. The Management Company may make arrangements to accept redemption requests through electronic means such as online, ATMs or other means of electronic, telephonic or mobile communications subject to the approval of the Commission. The Unit Holders shall be entitled to redeem part of their Units, however in case where a Certificate is issued the Holder is required to comply with the provisions contained in Clause 27. The application for redemption of Units shall be accompanied by the relevant Certificate, if issued, duly endorsed on the reverse. In case of applications for redemption by joint Holders, any Holder may sign the redemption form if he is so authorized in writing by all joint Holders.

13.2.3 The Trustee may at its option dispense with the production of any Certificate that shall have become lost, stolen or destroyed upon compliance by the Unit Holder(s) with the like requirements to those arising in the case of any application by him for the replacement thereof, as per clause 29.

13.2.4 The price at which Units shall be redeemed shall be the Redemption Price announced by the Management Company. The Redemption Price shall be announced by the Management Company on each Subscription Day. Unit(s) shall be redeemed based on the Redemption Price announced by the Management Company of the day on which the Unit Holder submits a complete and correctly filled redemption form to the ATL within the subscription hours (as announced by the Management Company via the company website from time to time) on a Subscription Day. If the application submitted by the Unit Holder is incomplete in any aspect, or if the Rupee amount / number of Unit(s) stated in the redemption request is in excess of the Unit Holder's account value then the redemption request shall be rejected and the Unit Holder(s) shall be notified of the same.

13.2.5 The amount payable on redemption shall be paid to the Holder or in the case of joint Holders, the first named joint Holder by crossed cheque or direct transfer to his designated Bank account after receipt of a properly documented request for redemption of the Units in terms of this Trust Deed and the Offering Document, or via ATM / electronic means (subject to terms and conditions as announced by the Management Company with the prior approval of the Commission) in consultation with the Trustee provided that redemption is not suspended in terms of this Trust Deed.

13.2.6 Authorized personnel of the ATL shall verify the particulars given in the application for redemption of Units and documents submitted therewith. The signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the application for redemption of Units may be verified by authorized personnel and authenticated to their reasonable satisfaction.

13.2.7 Redemption applications shall be received at ATLs on Business Days only. Payments for Units so redeemed shall be made within six (6) Business Days of the date of receipt of such application; provided that in the event redemption requests on any day exceed ten

per cent (10%) of the Units in issue, the Management Company may invoke a queue system as stated in sub-clause 13.7.

13.2.8 The sale, redemption and transfer of Units and any other dealings in the Units may be carried out On-line and via other means as may be approved by the SECP with the consent of the Trustee (which consent shall not be unreasonably withheld or delayed), to the extent permitted by and in accordance with applicable law.

13.2.9 In all cases the amount payable on Redemption shall be considered paid by the Trustee if either:

- (a) The amount of Redemption has been transferred to the designated Bank account provided by the Unit Holder at the time of submission of account opening form / change request form provided that the Scheme has a business relationship with that Bank; or
- (b) The payment instrument has been delivered and duly acknowledged by the Unit Holder or his representative (as per Unit Holder authorization in the redemption form). If several persons are registered as joint Holders any one of them may give effectual receipt for such payment; or
- (c) For payments received via any other mode of redemption, as maybe introduced by the Management Company in consultation with the Trustee, shall be deemed discharged.

13.2.1 The Asset Management Company shall ensure that no entry and exist to the scheme (including redemption and re-issuance of units to the same unit holders on different NAVs) shall be allowed other than cash settled transaction based on the formal issuance and redemption request.

13.3 Issue and Redemption of Units outside Pakistan

13.3.1 Subject to exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the issuance of Units to persons not resident in Pakistan or for delivery in any country outside Pakistan, the price at which such Units may be issued may, at the discretion of the Management Company, include in addition to the Offer Price as hereinbefore provided a further amount sufficient to cover any exchange risk insurance, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such issue or of the delivery or issue of Certificates, or any additional costs relating to the delivery of certificates or the remittance of money to Pakistan or any other cost in general incurred in providing this facility.

13.3.2 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which such Units may be redeemed may at the discretion of the Management Company include as a deduction to the Redemption Price as hereinbefore provided a further reasonable amount sufficient to cover any exchange risk insurance and any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or redemption or any bank or other charges incurred in arranging the payment or any other cost in general incurred in providing this facility.

13.3.3 The currency of transaction of the Scheme is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligations arising there from.

13.3.4 The Offer Price applicable to purchase requests received from outside Pakistan shall be the Offer Price applicable on the date the Trustee receives the payments, along with the completed application forms, from international investors provided it is

within cut-off timing of a Subscription Day otherwise the Offer Price of the next Subscription Day shall apply.

- 13.3.5 The Redemption Price applicable to redemption requests received from outside Pakistan shall be the Redemption Price applicable on the date the Trustee receives the payments, along with the completed application forms, from international investors provided it is within cut-off timing of a Subscription Day otherwise the Redemption Price of the next Subscription Day shall apply.
- 13.3.6 The Offer and Redemption Price shall be in Pak rupee terms and the Scheme shall not carry any exchange risk. The investor shall invest at the exchange rate (closing spot rates declared by SBP) prevailing at the time of receipt of the applications for issue or redemption of Units, as the case may be. For investment in Units, the investor shall remit the proceeds in foreign exchange through normal banking channels. For redemption of Units of offshore investors, payments shall be made in Pakistani rupees and investor shall be responsible for converting it into dollars or any other foreign currency and for arranging remittance of the redemption proceeds.

13.4 Temporary Change in the Method of Dealing

Under the extraordinary circumstances mentioned in the sub-clause 13.5, the Management Company may request the Trustee to approve a temporary change in the method of dealing in Units. Such approval shall not be unreasonably withheld. The Management Company may, at any stage, suspend the dealing of Units and for such periods it may so decide.

13.5 Suspension of Redemption of Units

- 13.5.1 The redemption of Units may be suspended with the approval of the board of directors of the Management Company during extra-ordinary circumstances, including:
- (a) closure of one or more Stock Exchanges on which any of the securities invested in by the Scheme are listed; or
 - (b) the existence of a state of affairs like the event of war (declared or otherwise), natural disasters, and a major break down in law and order which in the opinion of the Management Company constitutes an emergency as a result of which disposal of any Investment would not be reasonably practicable or might seriously prejudice the interest of the Scheme or of the Unit Holder(s); or
 - (c) a break down in the means of communication normally employed in determining the price of any Investment; or
 - (d) when remittance of money cannot be carried out in reasonable time and if the Management Company is of the view that it would be detrimental to the remaining Unit Holder(s) to redeem Units at a price so determined in accordance with the Net Asset Value (NAV).
- 13.5.2 The Management Company may announce a suspension or deferral of redemption and such a measure shall be taken to protect the interest of the Unit Holder(s) in the event of extraordinary circumstances or in the event redemption requests accumulate in excess of ten per cent (10%) of Net Assets.
- 13.5.3 The Management Company shall immediately notify the SECP if redemption in Units ceases or is suspended and the fact that redemption is suspended shall also be published immediately following such decision in the two newspapers, one in Urdu and One in English widely circulated in Pakistan
- 13.5.4 The SECP may also direct suspension of redemption of Units if it is of the opinion that it is in the interest of the Unit Holders to suspend the redemption of Units and issues a general or specific directive to that effect.

13.5.5 Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Management Company have ceased to exist and no other condition under which suspension or queue system is authorized under the Trust Deed exists.

13.5.6 In case of suspension of redemption of Units, the Management Company shall also suspend issuance of fresh Units of the Scheme until the redemption of Units is resumed.

13.6 Suspension of Fresh Issue of Units

13.6.1 The Management Company may close and re-open subscriptions of Units as provided in Clauses 5.4 and 5.5 above. Such closure or re-opening of subscription shall not affect the right of the existing Unit Holders to receive cash dividend or the issue of Bonus Units as a result of profit distribution.

13.6.2 The Management Company may at any time, subject to the NBFC Regulations, as may be modified from time to time and during extraordinary circumstances mentioned in Clause 13.5 suspend issuance of fresh Units.

13.6.3 Such suspension shall not affect the right of the existing Unit Holders to receive cash dividend or Bonus Units as a result of profit distribution. The Management Company shall announce the details of exemptions at the time a suspension of fresh issue is announced.

13.6.4 The Management Company shall immediately notify the SECP if subscription or issuance of Units is suspended and shall also have the same published, immediately following such decision, in the two news papers, one in Urdu and One in English widely circulated in Pakistan

13.7 Queue System

13.7.1 In the event redemption requests on any day exceed ten per cent (10%) of the number of Units outstanding, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a *first come first served* basis for upto ten per cent (10%) of the Units in issue.

13.7.2 The Management Company shall proceed to sell adequate assets of the Scheme and / or arrange financing as it deems fit in the best interest of the Unit Holder(s) and shall determine the Redemption Price to be applied to the redemption requests based on such action.

13.7.3 Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests.

13.7.4 The requests in excess of the ten per cent (10%) shall be treated as redemption requests qualifying for being processed on the next Business Day at the price to be determined for such redemption requests.

13.7.5 If the carried over requests and the fresh requests received on the next Business Day still exceed ten per cent (10%) of the Units in issue or ten per cent (10%) of the Net Assets of the Scheme, these shall once again be treated on *first-come-first served* basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten per cent (10%) of the Units then in issue. The Management Company shall ensure all valid redemption request are paid based on ranking of the request in a queue.

13.8 Winding up in View of Major Redemptions

13.8.1 In the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Scheme being run down to an

unmanageable level or is of the view that the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming, it may announce winding up of the Scheme. In such an event, the queue system, if already invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeds may be made if the Management Company finds it feasible.

- 13.8.2 The Management Company shall formally forward details of all requests for dealing in Units, including the information of stamped time and date, to the Trustee within 24 hours of the receipt of such requests.
- 13.8.3 All the application received on the designated points for issuance, redemption, conversion etc of units of scheme will be date and time stamped to ensure timely acknowledgement of the said application.

13.9 Permanent Change in the Method of Dealing

A permanent change in the method of dealing shall be made after expiry of one (1) month's notice to Unit Holders and with the approval of Trustee.

14. FEES AND CHARGES

14.1 Remuneration of the Management Company

- 14.1.1 The Management Company shall be entitled to a remuneration of an amount as permissible under the NBFC Regulations.
- 14.1.2 The remuneration shall begin to accrue on the date of close of Initial Offer period. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days accrued in the Accounting Period concerned.
- 14.1.3 The remuneration due to the Management Company shall be paid within seven days after the close of each month in arrears.
- 14.1.4 In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with its responsibilities as Management Company of the Scheme. The Management Company shall not make any charge against the Unit Holders or against the Trust Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the NBFC Regulations to be payable out of Trust Property.
- 14.1.5 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.
- 14.1.6 The Management Company shall however not make any further material charge against the Unit Holder(s) nor against the Trust Property nor against the Distribution Account for its services nor for expenses, except such expenses of fees as are expressly authorized under the provisions of the Rules, the Regulations and this Trust Deed.

14.2 Remuneration of the Trustee and its Agents

- 14.2.1 The Trustee shall be entitled to a monthly remuneration out of the Trust Property based on an annual tariff of charges annexed hereto (Annexure 'C'), which shall be applied to the average daily Net Assets during such calendar month. The remuneration shall begin to accrue on the date of close of Initial Offer period. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued in proportion to the total number of days in the calendar month concerned.

- 14.2.2 Such remuneration shall be paid to the Trustee in arrears within seven days after the end of each calendar month.
- 14.2.3 In consideration of the foregoing and save as aforesaid and as provide in Annexure 'C', the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Scheme. The Trustee shall not make any charge against the Unit Holders or against the Trust Property or against the Distribution Account for its services or for its expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the NBFC Regulations and this Deed.
- 14.2.4 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management services provided in accordance with the provisions of this Deed and the Regulations.
- 14.2.5 Any increase in the remuneration of the Trustee agreed to by the Management Company shall require the approval of the SECP and would be mentioned in the Offering Document. However, any decrease in remuneration of the Trustee shall not require such approval or amendment of the Offering Document.

14.3 Expenses Chargeable to Scheme

- 14.3.1 All expenses incurred in connection with the incorporation, establishment and registration of collective investment schemes (formation cost) in terms of Regulations 60 (1) and 60 (2) of the Regulations, shall be reimbursable by a collective investment scheme to an AMC subject to the audit of expenses. The said formation cost shall be amortized by CIS over a period of not less than five years or within the maturity date of CIS.
- 14.3.2 Formation Cost shall be charged to the Scheme which are estimated at and shall not exceed one (1%) percent of Pre-IPO capital or Rupees five million, whichever is lower.
- 14.3.3 The expenses referred to in Clause 14.3.1 shall be reported with their break-up under separate heads by the Management Company to the SECP and the Trustee, as soon as the distribution of the securities is completed.
- 14.3.4 Notwithstanding the generality of Clause 14.3.1, the following fees and charges shall be payable from the Scheme:-
- (a) remuneration of the Management Company;
 - (b) remuneration of Trustee or Custodian;
 - (c) listing fee payable to the Stock Exchange, including renewals;
 - (d) charges and levies of Stock Exchange, National Clearing and Settlement Company and Central Depository Company;
 - (e) fees and charges payable to Commodity Exchange for membership and trading in Commodity Contracts;
 - (f) rating fee of the Scheme payable to approved rating agency;
 - (g) auditors' fees and out of pocket expenses as billed by them;
 - (h) fees payable to the SECP;
 - (i) Formation Cost of the Scheme not exceeding one per cent of the pre-initial public offering capital in case of the Scheme or five million rupees whichever is lower;

- (j) brokerage and Transaction Costs related to investing and disinvesting of the assets of the Scheme;
- (k) expenses incurred by trustee in affecting registration of all registerable assets in the name of the Trustee;
- (l) legal and related costs (including expenses related to preparation and registration of supplementary/ revised constitutive documents) and other legal expenses incurred in protecting the interests of the Unit Holders of the Scheme;
- (m) bank charges, borrowing and financial costs;
- (n) hedging costs including forward cover, forward purchase or option purchase costs;
- (o) printing costs and related expenses for issuing the quarterly, half-yearly and annual reports, etcetera of the Scheme; and
- (p) taxes, fees, duties and other charges applicable to the Scheme on its income or its properties, including taxes, fees, duties and other charges levied by a foreign jurisdiction on investments made overseas.

Provided however, any costs associated with sales marketing and advertisement of the Scheme shall not be charged to the Scheme.

15. TRANSACTIONS WITH CONNECTED PERSONS

- 15.1 The Management Company on behalf of the Scheme shall not without the approval of its Board of Directors in writing and consent of the Trustee, purchase from or sell any securities to any Connected Person or employee of the Management Company.
- 15.2 Where cash forming part of the assets of the Fund is deposited with the Trustee or the Custodian that is banking company or an NBFC, a return on the deposit shall be paid by such Trustee or Custodian at a rate that is not lower than the rate offered by the said banking company or NBFC to its other depositors on deposits of similar amount and maturity.
- 15.3 All transaction with Connected Persons carried out by the Management Company on behalf of the Fund shall be in accordance with the provisions of the Constitutive Documents and shall be disclosed in the annual report of the Fund.

16. DISTRIBUTION POLICY, DETERMINATION OF DISTRIBUTABLE INCOME AND DATE OF DISTRIBUTION

- 16.1 The Management Company shall distribute by way of dividend to the Unit Holders of the Scheme not less than ninety percent (90%) of its income received or derived from sources other than unrealized capital gains, as reduced by such expenses as are chargeable to the Scheme under the NBFC Regulations.
- 16.2 The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among Unit Holders, profits, either in form of bonus Units or cash dividend, if any, available for the distribution at the end of the Accounting Period or such other interim period as decided by the Management Company, and shall advise the Trustee of the amount of such distribution per Unit.
- 16.3 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company and shall be the sum total of;

- a) The total income earned on the Trust Property during such Accounting Period including all amounts in respect of dividend, mark-up, profit, interest and fee, etc.;
 - b) Net realized appreciation as set out in this Clause 16.3 a) above, from which shall be deducted expenses as set out in Clause 16.4 hereafter, adjustment as set out in Clause 16.5 and such other adjustment as the Management Company may determine in consultation with the Auditors, subject to the NBFC Regulations, the provisions of the Income Tax Ordinance and the rules there under.
- 16.4 The proceeds of all receipts deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for distribution but shall be retained as part of the Trust Property, provided that such amounts out of the sale proceeds of the Investments and all other receipts as deemed by the Management Company to be in the nature of the net realized appreciation may be included in the distributable income to the Unit Holders and shall thereafter cease to form part of the Trust Property once transferred to the Distribution Account.
- 16.5 The income qualifying for distribution in respect of the relevant period shall be ascertained by deducting all such expenses and costs as mentioned in Clause 14 above.
- 16.6 The income qualifying for distribution in respect of the relevant period shall be adjusted as under:
- a) addition of a sum representing amounts included in the price of Units for income accrued up to the date of issue and deduction of a sum representing all participation in income distributed upon redemption of Units during the relevant period;
 - b) adjustment if considered necessary by the Management Company to reflect the diminution in value of Trust Property in consultation with the Trustee;
 - c) deduction of a sum by way of adjustment to allow for effect of the Investment /dividend, interest, profit or mark-up;
- 16.7 In case of cash distribution, the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purposes of this Deed be treated as part of the Trust Property but shall be held by the Trustee upon trust to distribute the same as herein provided.
- 16.8 After the fixation of the amount of cash distribution per Unit, distribution payments shall be made within a period of 45 Days by transfer to the Unit Holders' designated bank accounts or in the case of joint Unit Holders to designated bank account of the joint Unit Holder, first named on the Register or by dispatch of any banking instrument in the name of Unit Holder at his / her address as provided. The receipt of funds by such designated bankers or dispatch of instrument shall be a good discharge thereof.
- 16.9 Before making any distribution payment (such as bonus Units, cash dividend, etc.) in respect of a Unit the Trustee or the Management Company may make such deductions as may be required by law in respect of any Zakat, income or other taxes, charges or assessments whatsoever and issue to the Unit Holders the Certificate in respect of such deduction in the prescribed form or in a form approved by the concerned authorities.
- 16.10 The Management Company may offer the Unit Holder the option to receive new Units as Bonus Units under reinvestment option instead of cash dividend. The Unit Holders shall be entitled to change such option, as per the procedure to be outlined in the Offering Document.
- 16.11 New Units under re-investment option shall be issued at the Net Assets Value of the effective date of distribution after appropriation of the distribution but without any

charge of the Front-end Load.

- 16.12 In case of distribution in the form of Bonus Units, the Management Company shall determine the amount available for distribution as Bonus Units and inform the Trustee of the same.
- 16.13 After the fixation of the rate of bonus entitlement per Unit, the Management Company shall instruct the Registrar to credit the respective Unit Holders' accounts with the designated number of Units calculated on the basis of rate of distribution determined above against the number of Units held by them on the date of the closure of the Register.
- 16.14 The Management Company may offer the Unit Holder the option to receive such Units as may be entitled against distribution in form of Bonus Units. The Unit Holders shall be entitled to change such option.
- 16.15 In case of encashment, the Bonus Units will be redeemed on the first subscription day after distribution at the Net Assets Value of the effective date of distribution after appropriation of the distribution but without any charge of any Back-end Load, but subject to overriding condition that where Bonus Units are encashed/redeemed before the Minimum Period, capital protection offered under this Scheme will not apply to such Unit Holders.
- 16.16 Details of change of options will be given in the Offering Document.

17. ANNUAL ACCOUNTING PERIOD

- 17.1 The annual Accounting Period shall commence on first day of July of a calendar year and shall end on thirtieth day of June of the succeeding calendar year.
- 17.2 Accounting Date shall be the thirtieth day of June in each year and any interim dates at which the financial statements of the Scheme are drawn up. Provided, however, the Management Company may, with the consent of the Trustee and after obtaining approval of the SECP and complying with other applicable laws, change such date to any other date.
- 17.3 Accounting Period means a period ending on and including an Accounting Date and commencing in case of the first such period, on the date on which the Trust Property is first paid or transferred to the Trustee and in any other case, from the first day subsequent to the end of the preceding Accounting Period.

18. BASE CURRENCY

The base currency of the Scheme shall be Pakistani Rupee; it being clarified, however, that the Authorized Investments may be denominated in Pakistani Rupee.

19. MODIFICATION OF THE CONSTITUTIVE DOCUMENTS

- 19.1 The Trustee and the Management Company acting together and with the approval of SECP, shall be entitled by supplemental deed to modify, alter or add to the provisions of this Deed on any of the following grounds;
- a) To such extent as may be required to ensure compliance with any applicable laws and regulations or any amendment to such laws and regulations;
 - b) To enable the provisions of the Deed to be more conveniently and efficiently implemented;
 - c) To enable the Units to be listed on a stock exchange or any other exchange; or

d) Otherwise the benefit of the Unit Holders;

Provided that in case of b, c or d above, such alteration or addition shall not prejudice the interest of the Unit Holders and that in any event release Trustee or the Management Company of their responsibilities.

- 19.2 Where this Deed has been altered or supplemented the Management Company shall notify the Unit Holders regarding such alteration immediately.
- 19.3 If the SECP modifies or substitutes the NBFC Regulations, or through any other circular or notification, allow any relaxations or exemptions, these will be deemed to have been included in this Deed without requiring any modification as such.

20. TERMINATION AND LIQUIDATION OF THE SCHEME

- 20.1 The Management Company may terminate the Scheme by giving at least three months notice to Unit Holders and the Trustee and shall disclose the grounds of its decision. Subject to the NBFC Regulations, the Management Company may announce winding up of the Trust without notice to the Unit Holder(s) but under intimation to the Trustee and SECP if redemption requests build up to a level where the Management Company is of the view that the disposal of the Trust Property to meet such redemptions would jeopardize the interests of the remaining Unit Holders and that it would be in the best interest of all the Unit Holders that the Trust be wound up.
- 20.2 The Trust may also be terminated by the SECP on the grounds given in the NBFC Rules and/or the NBFC Regulations.
- 20.3 In case the Trust is terminated by the SECP on the grounds given in the NBFC Regulations, the SECP may appoint a liquidator in consultation with the Trustee.
- 20.4 This Deed may be terminated in accordance with the conditions specified in the NBFC Rules and the NBFC Regulations if there is a material breach of the provisions of this Deed or other agreement or arrangement, if any, entered into between the Trustee and Management Company regarding the Scheme.
- 20.5 On termination of the Fund, the Units shall stand cancelled.

21. TERMINATION AND LIQUIDATION OF THE SCHEME AT THE END OF THE MINIMUM PERIOD

- 21.1 The Fund shall stand automatically dissolved after the Minimum Period. Upon the Fund being dissolved, the Management Company shall suspend issue and redemption of Units forthwith and proceed to liquidate/sell all Investments as part of the Trust Property and shall repay all borrowing effected by the Fund together with any mark-up remaining unpaid.
- 21.2 The Redemption Price so determined by the Management Company shall not fall below the Initial Fund Size.
- 21.3 After the Minimum Period the Management Company shall proceed to sell/ mature all investments as part of the Trust Property and shall repay all borrowing effected by the Trust together with any mark up remaining unpaid. The Management Company or the Trustee shall not be liable for any shortfall.
- 21.4 All Units of the Fund shall stand automatically redeemed in lieu of dissolution of the Fund at the Redemption Price which shall be determined by the Management Company after proceeding of sell/maturity of all investments and after taking effect of all applicable charges, duties, taxes expenses etc.

22. DISTRIBUTION ON LIQUIDATION, WINDING UP OR TERMINATION

- 22.1 Upon the Trust being liquidated, wound up or terminated the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all Investments then remaining in the hands of the Trustee as part of the Trust Property and shall repay any borrowing affected by the Trust together with any mark-up remaining unpaid. In case of shortfall, neither the Trustee, nor the Management Company shall be liable for the same.
- 22.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Unit Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Trust Property after making payment as mentioned in Clause 22.1 above and retaining such sum as considered or apprehended by the Management Company for all costs, charges, expenses, claims and demands. In case of any shortfall, neither the Trustee nor the Management company shall be liable to contribute the same and in case of surplus, the same shall be distributed *pro rata* among the Unit Holders

23. TRUST PROPERTY

- 23.1 The aggregate proceeds of all Units issued from time to time after deducting there from or providing there against any applicable Front-end Load as charged by the Management Company and Duties and Charges, and adding thereto Transactions Costs and Back-end Load on early redemption of Units, shall constitute part of the Trust Property and the Distributors or the Management Company, as the case may be, shall remit such proceeds to the Trustee in accordance with the instructions given by the Management Company from time to time.
- 23.2 The Trust Property shall initially be constituted out of the proceeds from the Core Investors and investors during Pre IPO, after deducting any applicable Duties and Charges and Loads, if any, there from.
- 23.3 The Trustee shall take the Trust Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Unit Holders' ranking *pari passu* inter se, according to the number of Units held by each Unit Holders and in accordance with the provisions of the NBFC Regulations and this Deed. The Trust Property shall always be kept as separate property and shall not be applied to any purpose unconnected with the Scheme. All registerable Investments shall be registered in the name of the Trustee and shall remain so registered until disposed off or transferred to new trustee pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Trust Property.
- 23.4 Save, as herein expressly provided, the Trust Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not, except for the purpose of the Scheme and as directed by the Management Company, create or purport to create any mortgages, charges, liens or any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person.
- 23.5 The Trustee shall have the sole responsibility for the safekeeping of the Trust Property. Subject to Clause 7.6 above, in the event of any loss, caused through negligence/deliberate act/omission on the part of the Trustee, or violation of the terms of this Deed, the Trustee shall have an obligation to replace the lost Investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss. However the Trustee shall not be the under any liability therefore or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 23.6 All cash forming part of the Trust Property shall be deposited by the Trustee in Bank

Account(s) having AA rating as directed by the Management Company to be opened in the name of the Trustee, as a nominee of the Scheme, with a bank with rating as specified in the NBFC Rules, NBFC Regulations and circulars. Such Bank shall be required to allow profit thereon, in accordance with the rules prescribed by such Bank for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.

- 23.7 Remuneration of the Management Company; Remuneration of the Trustee; and all other costs and expenses as mentioned in Clauses 14.1 and 14.2 shall be payable out of the Trust Property.

24. TRANSACTIONS RELATING TO INVESTORS (UNIT HOLDER(S))

- 24.1 The Management Company shall advise the Trustee of the allocation of the funds (received in the main collection account) between the respective Schemes on a regular basis. Based on such advice, the Trustee shall transfer the funds to the accounts of the respective schemes.
- 24.2 The Management Company shall also advise the Trustee on a daily basis of the details of amounts to be paid to respective Unit Holders against redemption requests, if any. Such payments shall be effected by the Trustee out of the respective accounts of the Schemes by way of transfer of the required amounts to the designated bank accounts of the Unit Holder(s) or as authorized by the Unit Holder(s) or by transfer to the temporary parking account or by dispatch of payment instrument to the Unit Holders by registered post at their respective addresses. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment.
- 24.3 The Management Company shall advise the Trustee on regular basis of the conversion of Units between the schemes under the management of the Management Company. The Trustee shall transfer the funds so required from the account of the Scheme to the other. In case the conversion of Units is from the Scheme to the scheme under the trust of other trustee, the Management Company shall advise the Trustee of such transfer against the conversion to the trustee of other scheme.
- 24.4 The Management Company may with the prior approval of the SECP, make arrangements through branches of Banks to facilitate issuance and redemption of Units of the Scheme or may appoint Investment Facilitators for this purpose. A request for issuance of Units may also be made through the use of electronic means such as internet or ATM facilities or Debit / Credit Card facilities or direct bank debit / credit system. A request for redemption of Units may also be made through the ATM facility only when the relevant Bank /branches have been instructed by the Management Company to accept Unit Holders' request to redeem the Units of the concerned Scheme. The Trustee shall agree to such arrangements after satisfying itself in respect of all appropriate safeguards having been taken, without incurring any liability for additional risks involved.
- 24.5 The Management Company shall, from time to time, advise the Trustee of the dividend distribution for the Scheme. The Trustee shall establish separate Bank Accounts for each dividend distribution and transfer the amount payable as cash dividend to such accounts after deducting taxes and Zakat as may be required under the law and after adjustment of such amount being re-invested in the Units of the Scheme. Payments to the Unit Holders shall be effected by the Trustee out of such accounts of the Schemes by way of transfer of the appropriate amounts to the designated bank accounts of the Unit Holders or as authorized by the Unit Holders or by dispatch of dividend cheques / warrants / advice to the Unit Holder(s) by registered post at their respective addresses. Such dispatch shall constitute discharge of the Management Company and the Trustee in respect of such payment.
- 24.6 The Trustee shall pay to the Management Company's order such sums out of the sale proceeds of Units of the Scheme as are representative of Front-end or other recoveries in accordance with this Deed and the NBFC Regulations as being payable out of the

Issue Prices.

- 24.7 Without prejudice to the foregoing, and subject to any law for time being in force, the Trustee shall endeavour to ensure and employ prudent practices to ensure that information pertaining to the Trust Property, such as, but not restricted to, investments made, list of Unit Holder(s) etc., is not intentionally compromised, dispersed or provided to any third party without expressed consent of the Management Company. The Trustee shall however not be under any liability to the Management Company in case any such information is requested by the SECP or SBP.
- 24.8 Where any loss is caused to the Trust Property or to the Management Company due to Trustee's failure to comply with Clause 24.7, the Trustee shall make good that loss by depositing a sum equivalent to the loss in the Trust Property or making payment to the Management Company, as the case may be.
- 24.9 Without prejudice to the foregoing, and subject to any law for time being in force, the Management Company shall endeavour to ensure and employ prudent practices to allow Trustee to fulfil its responsibilities in an effective and efficient manner.
- 24.10 Where any loss is caused to the Trust Property or to the Trustee due to Management Company's failure to comply with Clause 24.9, the Management Company shall make good that loss by depositing a sum equivalent to the loss in the Trust Property or making payment to the Trustee, as the case may be.

25. TRANSACTION RELATING TO INVESTMENT ACTIVITY

- 25.1 The Management Company shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/ disinvestment transactions entered into by it on behalf of the Scheme. The Trustee shall carry out the settlements in accordance with the dictates of the specific transactions subject to the Regulations, the offering document and the terms of this Deed. The Management Company shall ensure the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction subject to the NBFC Regulations the Offering Document and the terms of this Deed.
- 25.2 The Trustee shall ensure that, where applicable, payments against Investments are made against delivery and vice versa.
- 25.3 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction.
- 25.4 The Trustee shall also, if so required by the nature of such notices or documents mentioned in the Clause 25.3 above act on the instruction of the Management Company in a manner that is in the best interest of the Scheme. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Scheme.
- 25.5 The Management Company shall intimate the Trustee with regard to dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received. The Trustee shall report back to the Management Company any such amounts or warrants that are received on such accounts from time to time.
- 25.6 The Trustee shall provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any investment.

26. OTHER MATTERS RELATING TO THE SCHEME

26.1 Declaration of Net Asset Value based prices

The Management Company shall, at such frequencies as are prescribed in, the NBFC Rules, the NBFC Regulations, the Offering Document, determine and announce the Net Asset Value based prices. Under certain circumstances as provided in the Trust Deed, the Management Company may suspend the announcement of the prices. The Management Company will announce the applicable prices of the Fund on its website as well as on MUFAP's website by 6:30 pm on all Business Days, or any other time as may be specified by the SECP for announcement of prices from time to time.

26.2 Issuance (Offer) and Redemption (Repurchase) of Units

The Registrar shall process Issuance and Redemption applications as well as conversion / switching, pledge and transfer application in accordance with the Offering Document. Based on the prices applicable to the relevant issuance or redemption, the Registrar shall determine the number of Units to be issued or redeemed. Under certain circumstances as provided in the Trust Deed, the Management Company may suspend the issuance and / or redemption of Units.

27. VOTING RIGHTS ON TRUST PROPERTY

27.1 All rights of voting attached to any Trust Property shall be exercisable by the Management Company on behalf of the Scheme and it shall be entitled to exercise the said rights in what it may consider to be the best interests of the Unit Holders and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Unit Holders shall not have any right to interfere or complain.

27.2 The Trustee shall upon written request by the Management Company, at the expense of the Scheme, from time to time execute and deliver or cause to be executed or delivered to the Management Company or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote, consent or otherwise act in respect of any Investment in such form and in favour of such persons as the Management Company may require in writing.

27.3 The phrase "rights of voting" or the word "vote" used in this sub-clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement or any other right as provided under the Ordinance.

27.4 Not later than two (2) Business Days of receipt, the Trustee shall forward to the Management Company all notices of meetings and all reports and circulars received by the Trustee as the Holder of any Investment.

27.5 The Management Company shall keep records stating reasons for casting vote in favour or against any resolution for a period of 10 years

28. UNITS

The Management Company may initially issue the following classes and types of Units:

28.1 Classes of Units

28.1.1 Class "A" (Restricted / Core Units) that shall be Principal Protected Units issued to the Core Investors with no Front-end Load. Out of total investment at least fifty million

rupees shall remain invested and these Units cannot be redeemed for a period of two (2) years from the date of closure of Initial Public Offering. However such Units are transferable. Further such units will be subject to Back- end Load if any, in case of redemption before the Minimum Period.

- 28.1.2 Class "A" that shall be Principal Protected Units being offered and issued during the Private Placement and Initial Public Offering (IPO) which may carry Front-end Load. However, such units will be subject to Back-end Load if any, in case of redemption before the Minimum Period.
- 28.1.3 Class "B" that shall be Principal Protected Units, which shall be offered and issued after the Initial Public Offering (IPO) shall be charged with a Front-end Load, if any and also subject to Back-end Load if any, in case of redemption before the Minimum Period.
- 28.1.4 Class "C" Units are the Bonus Units that may be issued to the Unit Holders in case of stock dividend from time to time; such units shall not have any Principal Protection and no Front-end Load but will be subject to Back-end Load if any, in case of Redemption before Minimum Period.
- 28.1.5 Subject to the terms of this Deed, all Units and fractions thereof represent an undivided share in the Fund and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions. Each Unit Holder has a beneficial interest in Scheme, proportionate to the Units held by such Unit Holder.
- 28.1.6 Irrespective of the different classes of Units issued, all Units issued from time to time shall rank pari passu inter se and shall have such rights as are set out in this Deed and the Offering Documents. The liability of the Holders shall be limited to the unpaid amount (if any) on the Units.
- 28.1.7 Core Units to be subscribed by the Core Investors shall be Class "A" (Restricted) Units, which shall be offered and issued at the price of Rs.100/- per Unit. Out of total investment at least fifty million rupees shall remain invested and such units shall not be redeemable for a period of two years from the date of closure of Initial Public Offering. However, for principal protection to hold Minimum Period requirement would apply for these Core Investors and a Back-end Load as per the Offering Document would be applicable in case of early redemption, before Minimum Period from the date of close of Initial Public Offering. A mention of this restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units. These Units shall, however, be transferable and shall be affected only on the receipt by the Registrar / Transfer Agent of a written acceptance of this condition by the Transferee.
- 28.1.8 After the Initial Public Offering, the Offer Price shall be determined from time to time pursuant to Regulation 57 of the NBFC Regulations.
- 28.1.9 By a Deed Supplemental to this Deed the Management Company may at any time with the approval of the Trustee and the SECP on giving not less than twenty- one (21) days notice in writing to each Unit Holder subdivide or consolidate the whole or any part of the Units and the Unit Holders shall be bound accordingly. The Management Company shall require in such notice that each Unit Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such subdivision or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such sub-division or consolidation.

29. REGISTRATION OF UNIT HOLDERS

- 29.1 A Register shall be maintained by the Registrar at such place as is agreed by the Management Company. The Management Company shall ensure that the Registrar shall comply with all relevant provisions of this Deed and the NBFC Regulations.

- 29.2 The Management Company shall ensure that the Registrar shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee, nor its representatives shall be entitled to remove the Register or to make any entries there in or alterations thereto.
- 29.3 The Registrar shall issue an account statement physically to those who do not have an e-mail address or access to the internet and electronically to those who have an e-mail and access to internet that will constitute evidence of the number of Units registered in the name of the Unit Holder, upon the execution of every transaction in the Unit Holders account. Further the Registrar shall, within seven Business Days of receiving a written request from any Unit Holder, post to such Unit Holder details of such Unit Holder's account in the Register. Such service shall be provided free of charge to any Unit Holder requesting so twice in any financial year. The Management Company may prescribe reasonable charges for servicing of any additional requests.
- 29.4 The Register shall contain the following information:
- a) Full names, father's/husband's name and addresses of each Unit Holder and joint Unit Holders together with the copy of the CNIC number and / or copy of passport (if applicable);
 - b) The number of the Units held and the distinctive numbers of Certificate(s), if any
 - c) The date on which the name of every Unit Holder was entered in respect of the Units standing in his name;
 - d) The date on which any transfer or redemption is registered;
 - e) Information about lien, pledge or charge of Units;
 - f) Tax and Zakat status of the Unit Holder(s);
 - g) Record of the signature(s) of the Unit Holder(s);
 - h) Nominee(s) of the Unit Holder(s); and
 - i) Such other information as Management Company may require.
- 29.5 The Register shall be conclusive evidence as to the Units held by each Unit Holder.
- 29.6 Any change of name or address of any Unit Holder shall forthwith be notified in writing to the Registrar, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate(s) previously issued to such Unit Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall, if requested, issue new Certificate(s) to such Unit Holder(s).
- 29.7 The Registrar shall not register more than four joint holders for a Unit. In case of the death of any one of the joint holders the survivor or survivors shall be the only persons recognized by the Trustee as having any title to or interest in the Units held by the joint Holders. Provided however, the Registrar or the Trustee or the Management Company may at their discretion request the survivors to provide succession certificate(s) or other such mandate(s) from court(s) or lawful authority(ies), if they consider necessary.
- 29.8 A body corporate may be registered as a Unit Holder or as one of joint Unit Holders.
- 29.9 The Register of unit holders shall be closed for the purpose of declaration of dividend. In no case, the time period for closure of Register for dividend declaration shall exceed six (6) working days at a time and whole forty five days in a year.

- 29.10 The Unit Holder shall be the only person to be recognized by the Trustee, the Management Company and the Registrar as having any right; title or interest in or to such Units and the Trustee, the Management Company and the Registrar may recognize the Unit Holder as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by any court of competent jurisdiction. However, the Management Company may authorize the Registrar to record a lien on any or all Units held by a Unit Holder in favour of a third party at the request of such Unit Holder or joint Unit Holders as the case may be.
- 29.11 The executor(s) or administrator(s) or succession certificate holder(s) of a deceased Unit Holder (not being one of several joint Unit Holders) shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby. However, in case of joint Unit Holder, the operation of the account of the joint Unit Holders within the Register will continue as per the mandate and authority given at the time of the opening of account through the investor account opening form or through any subsequent change therein.
- 29.12 Any person becoming entitled to a Unit in consequence of death or bankruptcy of any sole Unit Holder or of the survivor of joint Unit Holders may subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Unit Holder of such Unit(s) upon giving the Trustee, the Management Company such notice in writing of his desire or transfer such Unit(s) to some other person upon compliance with all applicable formalities. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Unit Holder. Provided however, the Management Company/Registrar or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary.
- 29.13 The Trustee shall retain any moneys payable in respect of any Unit of which any person is, under the provisions as to the transmission of Units hereinbefore contained, entitled to be registered as the Unit Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of such Unit or shall duly transfer the same.
- 29.14 The Registrar shall, subject to any law in force, ensure at all times and shall endeavour to implement prudent practices to ensure that the Register or the information contained therein of all or any particular Unit Holder(s) is not provided to any third party without expressed permission from the Management Company or the Trustee or the Unit Holder(s) himself, unless any disclosure is required in compliance with any applicable laws, rules and regulations or where such disclosure is required by an appropriate court or competent authority.

30. ISSUANCE OF CERTIFICATES

- 30.1 Upon being satisfied that the Offer Price for each Unit or fraction thereof has been received in full from the applicant, the Registrar shall issue an account statement that will constitute evidence of the number of Units registered in the name of the Unit Holder.
- 30.2 Certificates shall be issued on the specimen approved by Trustee only if so requested by the Unit Holder at the time of application or at any later stage and upon payment of a fee not exceeding hundred (100) Rupees per Certificate of any denomination, subject to revision of fee from time to time by the Management Company together with the sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such certificate. The proceeds of such fee will accrue to the Management Company.
- 30.3 Certificates shall only be issued for Units that have been fully paid.

- 30.4 Certificates where requested shall be issued as herein provided not later than twenty-one Business Days after the date of such request. The Certificate may be sent to the Unit Holder or his duly authorized nominee at his own risk by registered post or by courier service or may be collected from the Registrar.
- 30.5 In the case of Units held jointly the Registrar shall not issue more than one Certificate for the Units held by such joint Unit Holders and delivery of such Certificate to the Unit Holder named first therein shall constitute sufficient delivery to all joint Unit Holders.
- 30.6 Certificates shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name of the Scheme, the name and address of the Management Company and the Trustee, distinctive serial number and shall specify the number of Units represented thereby and the name and address of the Unit Holder as appearing in the Register.
- 30.7 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the mutual agreement of the Trustee and shall be signed on behalf of the Trustee by duly authorized officer(s) of the Trustee and on behalf of the Management Company by duly authorized officer(s) of the Management Company. Every such signature(s) shall be autographic unless there shall be for the time being in force an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature(s) in which event all or any of such signature(s) may be effected by the method so adopted. The Certificates shall also bear the signature of the authorized representative of the Registrar (or a Distributor if so specifically authorized by the Management Company), which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above mentioned. Certificate so signed shall be valid and binding notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Registrar or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Registrar, Distributor or an authorized signatory.

31. REPLACEMENT OF CERTIFICATES

- 31.1 Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any procedures from time to time made by the Trustee with the approval of the Management Company, every Unit Holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as he may require representing the same aggregate number of Units.
- 31.2 In case any Certificate is lost, stolen, mutilated, defaced or destroyed, the Registrar with the approval of the Management Company may issue to the person entitled duplicate Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
- a) returned the mutilated or defaced Certificate or furnished to the Distributor/Registrar evidence satisfactory to the Management Company and Trustee of the loss, theft or destruction of the original Certificate;
 - b) paid all reasonable expenses incurred in connection with the investigation of the facts; and
 - c) furnished such indemnity as the Management Company and the Trustee may require.

Neither the Management Company nor the Trustee nor the Registrar, nor the Distributor shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause. Provided further that the Trustee and /or the

Management Company may also require issuance of public notices in newspapers at the cost of the pertinent Unit Holders before issuing any duplicate certificates.

- 31.3 Before the issuing of any Certificate under the provisions of this sub-clause the Registrar may require from the applicant for the Certificate the payment to it of a fee not exceeding (Rs. 100/-) one hundred Rupees for each Certificate, subject to revision of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

32. TRANSFER OF UNITS

- 32.1 Every Unit Holder(s) shall be entitled to transfer the Units held by him by an instrument in such form as the Management Company may prescribe from time to time with the approval of the Trustee.
- 32.2 Every instrument of transfer must be signed by both the transferor and the transferee and the transferor shall be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.
- 32.3 Every instrument of transfer must be duly completed in all respects, including affixation of transfer stamps of the requisite value. Where Certificates have been issued the Trustee may dispense with the production of any Certificate where the Certificate have been lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in this Deed.
- 32.4 All instruments of transfer shall be retained by the Registrar.
- 32.5 The Registrar with the prior approval of the Management Company and the Trustee shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of ten years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of three years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from termination of the Trust. The Trustee or the Management Company or the Registrar shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favour of the Trustee or the Management Company or the Registrar that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Registrar and that every Certificate so destroyed was a valid Certificate duly and properly cancelled. Provided always that;
- a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
 - b) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Registrar any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
 - c) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

33. PLEDGE / LIEN OF UNITS

- 33.1 Any Unit Holder / or all joint Unit Holders may request the Registrar to record a pledge / lien of all or any of his/their Units in favour of any third party legally entitled to invest in such Units in its own right. The Registrar shall register a lien on any Units in

favour of any third party with the specific authority of the Management Company.

- 33.2 The pledge/lien once registered shall be removed by the authority of the party in whose favour the pledge/lien has been registered or through an order of a competent court. Neither the Trustee, nor the Management Company, nor the Registrar, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan or undertaking of any obligation against the constitution of such pledge / charge / lien by any party shall be at the entire discretion of such party and neither the Trustee nor the Management Company nor the Registrar takes any responsibility in this matter. Payments of dividends or the issue of bonus Units, except in the case of Units in central depository system and redemption proceeds of the Units under lien / charge / pledge shall be made to the lien / charge / pledge holder for the account of the Unit Holder or any other such arrangement as may be requested jointly by both the parties.
- 33.3 Where lien/ pledge/ charge on any unit is recorded in the Register, the Management Company and the Trustee may concur to make payment to the pledgee, if a request is received from the pledgee or through an order of a competent court and on receipt of such indemnification as the Management Company or the Trustee may require.

34. AUDIT

- 34.1 The Management Company shall at the establishment of the Scheme with the consent of the Trustee, appoint as Auditor, from the approved list of auditors circulated by the SECP from time to time, a firm of chartered accountants who shall be independent of the auditor of the Management Company and the Trustee. The Auditors shall hold office until transmission of the annual report and accounts.
- 34.2 The Management Company may at any time, with the consent of the Trustee, remove the Auditors and appoint another Auditor in its place. First Auditors and subsequent Auditors shall not be appointed for more than five consecutive years as specified under the NBFC Regulations, thereafter those auditors shall only be eligible for appointment after the lapse of at least one year.
- 34.3 The following persons shall not qualify to be the Auditors of the Scheme:
- a) A person who is or at any time during the preceding three years was a director, officer or employee of the Management Company or the Trustee;
 - b) A person who is a partner of, or in employment of, a director, officer, employee of the Management Company or Trustee;
 - c) The spouse of a director of the Management Company or Trustee;
 - d) A person who is indebted to the Management Company or Trustee, and
 - e) A body corporate, and
 - f) A person who is the auditor of the Management Company or the Trustee appointed by the Management Company.
- 34.4 Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm for the time being.
- 34.5 The Auditors shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee, Custodian, Registrar, Distribution Company or elsewhere and shall be entitled to require from the Management Company, Trustee and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.
- 34.6 The Auditors shall prepare a written report to the Unit Holders on the account and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other document forming part of the balance sheet and income and

expenditure account, including notes, statement or schedule appended thereto.

34.7 The contents of the Auditors report shall be as required in the NBFC Regulations.

35. ARBITRATION

In the event of any disputes arising out of this Trust Deed or the Offering Document between the Management Company on the one part and the Trustee on the other part, including as to the respective rights and obligations of the parties hereto, as well as those relating to the interpretation of the terms and conditions of this Trust Deed and/or the Offering Document, relating to the Scheme, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Management Company and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the Parties. The arbitrators and the umpire shall be selected from amongst, senior partners of renowned firms of chartered accountants, or senior partners of renowned law firms, or senior bankers or senior members of the Karachi Stock Exchange (Guarantee) Limited, (who may even be the heads of corporate members). The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

36. CONFIDENTIALITY

The Trustee, the Management Company and every director or officer of the said parties who are in any way engaged in the business of the Scheme and all persons employed or engaged by the said parties in connection with the business of the Scheme shall observe strict confidentiality in respect of all transactions of the Scheme, and shall not disclose any information or document which may come to his its Unit Holders and all matters relating there to knowledge or possession in the discharge of his duties except when required to do so in the ordinary course of performance of his duties or by law or if compelled by any court of law or a competent authority.

37. MISCELLANEOUS

37.1 Any notice required to be served upon the Unit Holders shall be deemed to have been duly given if sent by post or courier service to or left at his address as appearing in the Register and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted. Service of a notice or document on any one of several joint Unit Holders shall be deemed effective service on the other joint Unit Holders.

37.2 Any notice or document sent by post or courier service to or left at the registered address of a Unit Holder shall notwithstanding that such Unit Holder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

37.3 The Management Company may advertise any such notice in two leading daily newspapers in Pakistan having their wide circulation in the country and this will be a good discharge of requirements of service of notice provided hereinabove.

37.4 If at any time, any clause of this Trust Deed is or becomes in whole or in part illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, the legality, validity and enforceability of the remaining clauses of this Trust Deed hereof, shall not in any way be effected or impaired thereby.

37.5 A copy of this Deed and of any such supplemental deed shall be made available for

inspection at the respective Head Offices of the Trustee and of the Management Company and at Authorized Transaction Locations at all times during usual business hours and shall be supplied by the Management Company to any person on application at a charge not exceeding (Rs.100/-) one hundred Rupees per copy or at such rate as determined from time to time by the Management Company. A copy of all such documents shall also be made available on the Company's website.

38. DEFINITIONS

Unless the context requires otherwise the following words or expressions used in this Trust Deed shall have the meanings respectively assigned to them;

- 38.1 "**Accounting Date**" means the thirtieth day of June in each year and any interim dates at which the financial statements of the Scheme are drawn up. Provided, however, that the Management Company may with the consent of the Trustee and after obtaining approval of the SECP and complying with other applicable laws, change such date to any other date.
- 38.2 "**Accounting Period**" means a period ending on and including an Accounting Date and commencing in case of the first such period, on the date on which the Trust Property is first paid or transferred to the Trustee and in any other case, from the first day subsequent to the end of the preceding Accounting Period.
- 38.3 "**Auditor**" means the auditor of the Scheme appointed by the Management Company with the consent of the Trustee in accordance with the provisions of this Deed and the NBFC Regulations.
- 38.4 "**Authorized Branch(es)**" means those branches of the Distributors which are authorized to perform the Distribution Functions by the Management Company.
- 38.5 "**Authorized Transaction Location**" or "**ATL**" means branch(es) of the Management Company and Distributor authorized to accept and process investment, redemption, transfer, conversion, etc. requests. A list of ATLs shall be maintained and updated by the Management Company on its website and in its Offering Document.
- 38.6 "**Authorized Investment**" means any investments transacted, issued, traded or listed in Pakistan and abroad and includes any of the following:
- 38.6.1 **For the Capital Protection Segment:**
- Bank deposit(s) including term deposit or certificate of deposit with scheduled commercial bank(s) and developed financial institutions having minimum long term investment grade rating of AA-(Double A minus).
 - Treasury Bills, Government of Pakistan Investment Bonds (PIBs);
- 38.6.2 **For the Investment Segment:**
- 38.6.2.1 Commodity Futures Contract listed at the PMEX or any other Commodity Exchange subject to SECP and SBP approvals.
- 38.6.2.2 Any other security and/or instruments and/or transactions that may be allowed by SECP, the NBFC Rules and Regulations or any other regulatory authority from time to time.
- 38.6.2.3 Long, medium and short term bank deposits with banks including deposit in currencies other than the Pakistani Rupee with scheduled commercial bank(s) and developed financial institutions having minimum long term investment grade rating of AA-(Double A minus) ;

- 38.6.2.4 Fixed Income /Debt /Money Market Securities,
- 38.6.2.5 Placements with Financial Institutions;
- (i) TDR, COI, COD, LOP;
 - (ii) Listed, Secured and Rated Money Market Instruments;
 - (iii) Unlisted, Secured and Rated Money Market Instruments;
 - (iv) Unlisted, Unsecured and Rated Money Market Instruments;
 - (v) Unlisted, Unsecured and Rated Money Market Instruments issued by Federal / Local governments, government agencies;
 - (vi) Treasury Bills, Government of Pakistan Investment Bonds (PIBs), and other Government securities;
 - (vii) Reverse Repo Transactions against Government Securities;
 - (viii) Subject to obtaining separate prior approval of SECP or other regulatory approvals, the Scheme may seek to invest in foreign money market / fixed income securities issued, listed or otherwise and traded outside Pakistan including global depository receipts bought on such terms, guidelines and directions as may be issued by the SECP and the SBP from time to time.
- 38.6.3 Any other security and/or instruments and/or transactions that may be allowed by SECP, the NBFC Rules and the NBFC Regulations or any other regulatory authority from time to time.
- 38.6.4 All the authorized investments are subject to rating and exposure limits as defined by the SECP in criteria for categorization of open-end collective investment scheme
- 38.6.5 The investments in asset classes mentioned above shall be subject to such exposure and investment limits and minimum ratings as specified in the NBFC Regulations and the SECP's Circular No.07 of 2009 and such other notifications, circulars or directives issued by the SECP from time to time.
- 38.7 "**Back-end Load**" means charges, not exceeding five percent of the Net Assets Value, payable as specified under Clauses 4.3.3, 5.3 and 12.5, deducted by the Management Company from the Net Asset Value in determining the Redemption Price. Back-end load shall form part of Trust Property.
- 38.8 "**Bank**" means a scheduled bank as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank outside in Pakistan licensed to carry on business in Pakistan as a scheduled bank.
- 38.9 "**Bank Accounts**" means those accounts open and maintained for the Scheme by the Trustees at Banks, the beneficial ownership in which shall rest in the Unit Holder.
- 38.10 "**Bonus Units**" means the Units issued, on distribution of the distributable income, in the form of stock dividend.
- 38.11 "**Broker**" means any person licensed by the SECP as a broker for effecting transactions in commodities for the account of others.
- 38.12 "**Capital Protection**" means that the Net Realizable Value of investment should not fall below the Initial Investment Value if the Units are held as per the Minimum Period requirements.
- 38.13 "**Capital Protected Segment**" mean a part of the assets of the Scheme to protect investors' capital at maturity through the investment structure by placing a significant

percentage of the Initial Fund Size.

- 38.14 "**Certificate**" means the definitive certificate acknowledging the number of Units registered in the name of a Holder issued at the request of such Unit Holder pursuant to the provisions of this Deed.
- 38.15 "**Commodity**" means Rice, Palm Olein, Gold, Silver, Crude Oil and other commodities, the Contracts of which are traded at a Commodity Exchange.
- 38.16 "**Commodity Futures Contracts**" means an agreement to purchase or sell a particular Commodity for settlement in the future at a price that is determined at the initiation of the contract that obligates each party to the contract to fulfil the contract at the specified price and that may be settled by cash or offset at an organized Commodity Exchange duly registered with the Commission and in relation to Commodity Futures the expression "commodity" includes;
- a) Rice Futures Contract,
 - b) Gold Futures Contract,
 - c) Palm Olein Futures Contract,
 - d) Silver Futures Contract,
 - e) Crude Oil Futures Contract.
- 38.17 "**Commodity Exchange**" means any body or organization in Pakistan registered by the SECP as a commodity exchange under the laws of Pakistan and shall include PMEX.
- 38.18 "**Connected Person**" shall have the same meaning as assigned to it in the NBFC Rules.
- 38.19 "**Constitutive Documents**" means this Trust Deed, Offering Document and other principal documents governing the formation of the Scheme, including all related material agreements.
- 38.20 "**Core Investors**" of the Scheme shall be such initial investors during Pre IPO whose subscription shall in aggregate be in compliance of the requirements of Regulation 44 (3) (e) of the NBFC Regulations. The Core Investors shall be issued with Core Units representing their subscriptions. Details of the Core Investors shall be included in the Offering Document that shall be issued for this Trust.
- 38.21 "**Core Units**" shall mean such Units of the Scheme that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of close of Initial Period. Such Units are transferable with this condition but otherwise shall rank pari passu with all other Units, save for this restriction. Any transfer of the Core Units, during the first two years of their issue, shall be affected only on the receipt by the Registrar of a written acceptance of this condition by the transferee; for Capital Protection to hold, Minimum Period requirement would also apply to the Core Units.
- 38.22 "**Crude Oil Futures Contracts**" mean contracts listed at the Commodity Exchange including PMEX Crude Oil Futures Contracts and any other Crude Oil Futures Contracts that may be introduced by any Commodity Exchange, including PMEX subject to prior approval of SECP. Crude Oil Futures Contracts shall be settled in cash, as per the terms and agreements of the Commodity Exchange.
- 38.23 "**Custodian**" includes a bank licensed under the Banking Companies Ordinance, 1962 (LVII of 1962) or a trust company which is a subsidiary of such a bank or a banking institution incorporated outside Pakistan or a central depository company approved by the SECP or a NBFC carrying out investment finance services provided it has been approved by the SECP to act as custodian or such other company as may be approved by the SECP to act as custodian.
- 38.24 "**Cut off Timings**" mean the commencement and closure of business hours of the

Management Company for the purpose of acceptance of applications for purchase and redemption of Units of the Scheme as enunciated in clauses 12.3.4 and 12.4.4 respectively.

- 38.25 "**Distribution Account**" means the account (which may be a current, saving or deposit account) maintained by the Trustee with a Bank as directed by the Management Company in which the amount required for distribution of income to the Unit Holders shall be transferred. Mark-up, income or profit, if any, including those accruing on unclaimed dividends, in this account shall be transferred to the main Bank Account of the Scheme from time to time as part of the Trust Property for the benefit of the Unit Holders.
- 38.26 "**Distributor(s) and Distribution Company**" means company (ies) or firm(s) or Bank(s) or any other financial institution(s) or central depository company, if appointed by the Management Company at its own expense for performing any or all of the Distribution Functions and shall also include the Management Company if it performs any or all of the Distribution Functions.
- 38.27 "**Distribution Functions**" means the functions with regard to;
- 38.27.1 Receiving applications for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
- 38.27.2 Interfacing with and providing services to the Holders including receiving redemption/transfer/pledge applications, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission to the Management Company or the Registrar as appropriate; and
- 38.27.3 Acknowledging receipts in respect 38.27.1 and 38.27.2 above;
- 38.27.4 Accounting to the Management Company for (i) moneys received from the applicants for issuance of Units (ii) payments made to the Holders on redemption of Units; and (iii) expenses incurred in relation to the Distribution Functions.
- 38.28 "**Duties and Charges**" means in relation to any particular transaction or dealing, all stamp and other duties, taxes, Government charges, bank charges, transfer fees, registration fees and other Duties and Charges in connection with the issue, sale, transfer, redemption or purchase of Units or the sale or purchase of investments or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such Duties and Charges are payable but do not include any Front-end Load, the remuneration payable to the Distribution Company or any commission payable to agents on sales or any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 38.29 "**Force Majeure**" means any occurrence or circumstance or element which delays or prevents performance of any of the terms and conditions of this Deed or any obligations of the Management Company or the Trustee and shall include but be not limited to any circumstance or element that cannot be reasonably controlled, predicted, avoided or overcome by any Party and which occurs after the execution of this Agreement and makes the performance of the Agreement in whole or in part impossible or impracticable or delays the performance, including but not limited to any situation where performance is impossible without unreasonable expenditure. Such circumstances include but are not limited to floods, fires, droughts, typhoons, earthquakes and other acts of God and other unavoidable or unpredictable elements beyond reasonable control, such as war (declared or undeclared), insurrection, civil war, acts of terrorism, accidents, strikes, riots, turmoil, civil commotion, any act or omission of a governmental authority, failure of communication system, hacking of computer system and transmissions by unscrupulous persons, closure of stock exchanges, banks or financial institutions, freezing of economic activities and other

macro-economic factors, etc.

- 38.30 **"Formation Cost"** means all preliminary and floatation expenses of the scheme including expenses in connection with registration of the Scheme and its application fee payable to SECP, execution and registration of the Constitutive Document, issue, legal costs, printing, circulation and publication of the Offering Document, marketing and announcements describing the Scheme inviting investment therein and all expenses incurred up to the close of Initial Offer, as allowed under the NBFC Rules and NBFC Regulations.
- 38.31 **"Front-end Load"** means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five percent (5%) or such other percentage (as may mutually be agreed between the Trustee and the Management Company in writing) of the Net Asset Value which may be included in the Offer Price of the Units.
- 38.32 **"Fund"** or **"Scheme"** or **"Trust"** or **"IGI CPF"** means IGI Capital Protected Fund constituted by this Deed.
- 38.33 **"Gold Futures Contracts"** mean contracts listed at the Commodity Exchange including: PMEX One Tola Gold Futures Contract, PMEX Gold (1 Ounce) Futures Contract, PMEX 100 Ounces Gold Futures Contract, PMEX 100 Tola Gold Futures Contract, PMEX 50 Tola Gold Futures Contract, PMEX Kilo Gold Futures Contract, PMEX Mini Gold Futures Contract and PMEX Gold Futures Contract. The Fund may also invest in other Gold Contracts that may be introduced by any Commodity Exchange, including PMEX subject to prior approval of SECP. Gold Exchange Traded Funds, issued, traded or listed inside or outside Pakistan, are also subject to prior regulatory approvals i.e. SECP and/or State Bank of Pakistan
- 38.34 **"Government Securities"** includes monetary obligations of the Federal Government or Provincial Government or of a Corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a Provincial Government and guaranteed by the Federal Government and any other security as the Federal Government may, by notification in the Official Gazette, declare, to the extent determined from time to time to be Government Securities.
- 38.35 **"Holder"** or **"Unit Holder"** means the investor for the time being entered in the Register as owner of a Unit or a fraction thereof including investors jointly so registered pursuant to the provisions of this Deed.
- 38.36 **"Initial Offer"** means the price of Rs.100/- plus any front-end load defined in Offering Document of the Fund per Unit during the Initial Period.
- 38.37 **"Initial Period"** means a period determined by the Management Company not exceeding thirty days during which Units will be offered at the Initial Price in terms of the Offering Document.
- 38.38 **"Initial Price"** means the price at Par Value of Rs:100/- (Rupees one hundred only) plus any front-end load defined in Offering Document of the Fund per Unit.
- 38.39 **"Investments"** means any Authorized Investment forming part of the Trust Property.
- 38.40 **"Investment Facilitator"** (Facilitator) means an individual, firm, corporate or other entity appointed by the Management Company at its own expense to identify, solicit and assist investors in investing in the Scheme.
- 38.41 **"Investment Segment"** means that part of the assets of the Scheme that would be invested to gain exposure in the commodity market(s) through Commodity Exchange and/or any other permissible Investments that the Management Company feels would be appropriate to maximize returns over the Capital Protection.
- 38.42 **"Initial Fund Size"** means the amount determined by multiplying the Offer Price paid by the Unit Holder with the number of capital protected Units purchased by such Unit

Holder.

- 38.43 "**Minimum Period**" shall be remaining period from the date of issue of Units till the end of life of the Fund as specified in the Offering Document.
- 38.44 "**NBFC Regulations**" mean Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended or substituted from time to time and inclusive of any specific or general relaxations in respect of applicability of such regulations granted or to be granted by SECP.
- 38.45 "**NBFC Rules**" mean Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, as amended or substituted from time to time and inclusive of any specific or general relaxations in respect of applicability of such Rules granted or to be granted by SECP and / or the Federal Government, as appropriate.
- 38.46 "**PMEX**" means Pakistan Mercantile Exchange Limited
- 38.47 "**PMEX Regulations**" shall include the Pakistan Mercantile Exchange General Regulations and the Commodity Exchange and Futures Contracts Rules 2005, as amended or substituted from to time and inclusive of any specific or general directives, circulars and/or relaxations in respect of applicability of such regulations granted or to be granted by the SECP.
- 38.48 "**Net Assets**" shall have the same meaning as in the NBFC Rules and NBFC Regulations.
- 38.49 "**Net Assets Value**" or "**NAV**" means per Unit value of the Trust arrived at by dividing the Net Assets by the number of Units outstanding.
- 38.50 "**Net Realizable Value**" means the proceeds to the Unit Holder at the time of redemption which is net of all charges.
- 38.51 "**Offer Price**" means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to Clause 12.1 of the Trust Deed.
- 38.52 "**Offering Document**" means published document containing information of a Scheme to invite the public for purchase of certificates or Units of the Scheme.
- 38.53 "**Online**" means transactions through electronic data-interchange whether real time transactions or otherwise, which may be through the internet, intranet networks and the like.
- 38.54 "**Ordinance**" means the Companies Ordinance, 1984, as amended from time to time.
- 38.55 "**Par Value**" means the Initial Offer price per Unit to invite offers by the public to invest in Scheme.
- 38.56 "**Palm Olein Futures Contract**" means contracts listed at the Commodity Exchange including, PMEX Palm Olein Futures Contract. The Fund may also invest in other Palm Olein Futures Contracts that may be introduced by any Commodity Exchange, including PMEX subject to prior approval of SECP.
- 38.57 "**Pre IPO**" means period during which the investors may subscribe to the Scheme before the Initial Offer.
- 38.58 "**Pre-IPO Investors**" mean those investors who make payment to the Management Company for purchase of Units prior to the Initial Offer under private arrangements.
- 38.59 "**Pre IPO Units**" means Units of the Trust, other than the Core Units issued at par. The Management Company may also at its discretion charge a Front-end Load during the Pre IPO and this arrangement shall be disclosed to Pre IPO Investors.

- 38.60 "**Redemption Price**" means the amount to be paid to the relevant Holder of a Unit upon redemption of that Unit, such amount to be determined pursuant to Clause 12.5 of this Deed.
- 38.61 "**Register**" means the Register of the Holders kept pursuant to the NBFC Regulations and this Trust Deed.
- 38.62 "**Registrar**" or "**Transfer Agent**" means an organization that the Management Company may appoint for performing the Registrar Function at its own expense and also includes the Management Company if it performs any or all of the Registrar Functions.
- 38.63 "**Registrar Functions**" means the functions with regard to;
- 38.63.1 Maintaining the Register;
 - 38.63.2 Processing requests for issue, redemption, transfer and transmission of Units and requests for recording of pledges and lien or for recording of changes in data with regard to the Unit Holders;
 - 38.63.3 Issuing account statement to the Holders; 36.47.4 Issuing and dispatching of Certificates;
 - 38.63.4 Dispatching income distribution warrants and bank transfer intimations or any other Instrument; and
 - 38.63.5 Cancelling old Certificates on redemption or replacement.
- 38.64 "**Rice Futures Contract**" means contracts listed at [any](#) Commodity Exchange including PMEX IRRI-6 Weekly Rice Futures Contract and IRRI-6 Rice Futures Contracts. The Fund may also invest in other Rice Futures Contracts that may be introduced by any Commodity Exchange, including PMEX subject to prior approval of SECP.
- 38.65 "**SBP**" means the State Bank of Pakistan established under the State Bank of Pakistan Act, 1956 (XXXIII of 1956) and shall include its legal successor.
- 38.66 "**SECP**" or "**Commission**" means the Securities and Exchange Commission of Pakistan.
- 38.67 "**Silver Futures Contracts**" mean contracts listed at [any](#) Commodity Exchange including PMEX Silver (500 ounce) Futures Contract and Silver Futures Contracts. The Fund may also invest in other Silver Futures Contracts that may be introduced by any Commodity Exchange, including PMEX subject to prior approval of SECP.
- 38.68 "**Stock Exchange**" mean Stock Exchanges, registered under the Securities and Exchange Ordinance, 1969.
- 38.69 "**Subscription Day**" means any day from Monday to Friday but does not include any day which is a gazetted Government of Pakistan holiday or on which Banks are closed for business in Pakistan.
- 38.70 "**Supplementary Offering Document**" means a document issued by the Management Company, in consultation with the Trustee after seeking approval of the SECP, describing amendments in the Offering Document.
- 38.71 "**Supplemental Trust Deed**" means a document executed by the Management Company and the Trustee after seeking approval of the SECP, describing amendments in the Trust Deed.
- 38.72 "**Transaction Costs**" means the costs incurred or estimated by the Management Company to cover the costs (such as, but not restricted to, brokerage, Trustee charges, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of

the Scheme's portfolio, necessitated by creation or cancellation of Units. Such costs may be added to the NAV for determining the Offer Price of Units or be deducted from the NAV in determining the Redemption Price. The Transaction Costs may not normally be applied in determining these prices, however, if the Management Company is of the view that it is in the overall interest of the Unit Holders, it may, in consultation with the Trustee, apply such charges either to the Offer and / or the Redemption Price. The Management Company may, however, apply Transaction Costs while determining Offer or Redemption prices, without consulting the Trustee provided the difference between the Offer Price and the Redemption Price does not exceed five percent. The element of Transaction Costs taken into account in determining the prices and collected so, shall form a part of the Trust Property.

38.73 "**Trust Deed**" or "**Deed**" means this deed executed between the Management Company and the Trustee along with all exhibits appended hereto (if any).

38.74 "**Trust Property**" shall consist of;

36.74.1 The aggregate proceeds of all Units issued from time to time after deducting applicable Front- end Load as charged by the Management Company and after adding thereto transaction costs and charges for redemption of Units in the form of Back-end Load;

36.74.2 All Investments made by the Trustee in terms of this Deed and all income, profit (including accrued profits) and other benefits arising there from and all cash and other assets including moveable or immovable and property of every description (including present and future actionable claims) for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Holders pursuant to this Deed; and

36.74.3 Amounts standing to the credit of the accounts maintained by the Scheme, including profits accruing therein, until, from time to time, such amounts (or part thereof) are actually paid to Holders upon receipt of a request by such Holders to redeem their Units in accordance with the provisions of this Deed.

38.75 "**Unit**" means one undivided share in the Trust.

38.76 "**ZAKAT**" has the same meaning as in Zakat and Ushr ordinance (XVIII of 1980).

Words and expressions used but not defined herein shall have the meanings assigned to them in the Ordinance and NBFC Rules and the NBFC Regulations, words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words "written" or "in writing" include printing, engraving lithography, or other means of visible reproduction. The headings and table of contents are for convenience only and shall not affect the construction of this Trust Deed.

IN WITNESS WHEREOF, THIS DEED OF "IGI CAPITAL PROTECTED FUND" has been executed on the date first mentioned above.

FOR AND ON BEHALF OF
IGI FUNDS LIMITED

Signature:

Name: Maheen Rehman
CNIC: 42301-3079259-6

**FOR AND ON BEHALF OF
CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**

(1) Signature:

Name: Abdul Samad
CNIC: 42101-1818807-7

(2) Signature:

Name: Aftab Ahmed Diwan
CNIC: 42201-0417599-9

WITNESSES:

(1)

Name:
CNIC:

(2)

Name:
CNIC: